



**QUALIFY**  
Interreg Europe



European Union  
European Regional  
Development Fund

# On line library



# Table of Contents

<b>List of acronyms</b> .....	3
<b>Information about the on line library</b> .....	4
<b>1.1. Regulatory and strategical framework</b> .....	6
1.1.1 EU legislation and rules.....	6
1.1.2 National/regional legislation and rules.....	12
1.1.3 Description of the system for fraud prevention .....	14
1.1.4 Regional and national strategies, operational programmes complementary to legislation .....	17
1.1.5 Statistics and Analyses.....	20
1.1.6 Funding and support schemes for projects on these topics .....	22
1.1.7 Vision for the next decades (ideas, trends) .....	23
<b>1.2 Practical examples</b> .....	24
1.2.1. Regional initiatives .....	24
1.2.2. Videos .....	25
1.2.3. Best practices.....	25
<b>1.3. Useful links</b> .....	30



# List of acronyms

AAC – Administrative Assistance and Cooperation

BFSA – Bulgarian Food Safety Agency

CAP – Common Agricultural Policy

COOL – County of Origin Labelling

EAFRD – European Agricultural Fund for Rural Development

EFSA – European Food Safety Authority

ERDF – European Regional Development Fund

EU – European Union

EUROPHYT – European Union Notification System for Plant Health Interceptions

GMO – Genetically Modified Organism

GVA – Gross Value Added

MAF – Ministry of Agriculture, Food and Forestry

MANCP – Multi-annual National Control Plan

MH – Ministry of Health

OPIC – Operational Programme “Innovations and Competitiveness”

PAFCD – Policies on Agri-food Chain Directorate

RASFF – Rapid Alert System for Food and Feed

RDP – Rural Development Programme

SHCD – State Health Control Directorate

SME – Small and Medium Enterprise

TFEU – Treaty on the functioning of the European Union

TRACE – Trade Control and Expert System



## About QUALIFY

QUALIFY project aims to foster the competitiveness of the SMEs in the agrifood sector by tackling a challenge that affects the involved regions and the whole EU: the improvement of the quality processes of these SMEs, the fight against the fraud in the sector, and the promotion of the authenticity in their products. Overcoming the barriers related to these challenges is to foster the reduction of costs, better chain values, better processes, and better products that will allow the tackled SMEs to grow and be more competitive in the national and international markets, where they need to enlarge their presence in front of larger companies, which are much less challenged by the presented topics. To work in this direction, the project tackles the ERDF funds devoted to increase SMEs competitiveness. The project aims at ensuring that when the projects funded under these schemes tackle agrifood SMEs they introduce aspects of quality, fraud prevention, and authenticity, which must complement the existing financial and non-financial instruments, enlarging the desired outcome: the growth of these SMEs. The project also aims at enlarging the capacities of the managing authorities, relevant SMEs representatives and other stakeholders to better tackle these aspects and develop better and more efficient projects.

## Information about the on line library

One of the main activities of the project is the development of on line library that will be used by policy makers, SMEs, branch associations, research institutions, universities etc. It will contain 3 modules covering the main topics of the project – fraud preventions, quality

control systems and authenticity of the agrifood products. The materials for the modules will cover relevant aspects for present and future officers to understand the European logic linked to it, as well as the national and regional.

The modules were developed during three semesters of the project implementation following the topic covered during the relevant semester. The structure of the modules follows:

## TOPIC 1 FRAUD PREVENTION

decade (ideas, trends...) (1 p.)	EE, SI, EL
----------------------------------	------------

### 1.1 Regulatory and strategical framework

TOPIC	LANGUAGES
EU legislation and rules (summarised 1-2 pages)	EN
National/regional legislation and rules (1-2 p.)	CA, BG, FR, EE, SI, EL
Description of the system for fraud prevention (1-2 p.)	CA, BG, FR, EE, SI, EL
Regional and national strategies and operational programmes complementary to legislation (2-5 p.)	CA, BG, FR, EE, SI, EL
Statistics and Analyses (as needed)	CA, BG, FR, EE, SI, EL
Reports (documents apart – all relevant ones)	CA, BG, FR, EE, SI, EL
Funding and support schemes for projects on this topic (as needed)	CA, BG, FR, EE, SI, EL
Vision for the next	CA, BG, FR,

### 1.2 Practical examples

TOPIC	LANGUAGES
Regional initiatives	CA, BG, FR, EE, SI, EL
Videos	CA, BG, FR, EE, SI, EL
Best practices	CA, BG, FR, EE, SI, EL
Case studies (from same country/region and others in the partnership)	CA, BG, FR, EE, SI, EL

### 1.3 Useful links

Per country/region: Catalonia, Bulgaria, Nouvelle-Aquitaine, Estonia, Slovenia, Thessaly



# Topic 1: Fraud prevention



## 1.1. Regulatory and strategical framework

### 1.1.1 EU legislation and rules

EU legislation on the labelling, presentation and advertising of food states that consumers must not be misled. It also requires that, in general, all ingredients are listed in descending order of weight. From 13 December 2014, new rules will replace this legislation and, among other provisions, will extend country of origin labelling (COOL) to meat from pigs, poultry, sheep and goats. COOL is already mandatory for beef and some other products, including olive oil and honey.

This section provides a brief overview of some important EU legislation and rules regarding the prevention of fraud in the agri-food sector, listed in chronological order.

## **White paper on food safety (2000)<sup>1</sup>**

The White Paper recognised that EU's food policy must be built around high food safety standards, which serve to protect, and promote, the health of the consumer. In order to do this, the establishment of European Food Authority was proposed. This was complemented by enforcement of food safety legislation and food safety controls, as well as the provision of consumer information.

## **Directive 2000/13/EC of the European Parliament and of the Council of 20 March 2000 on the approximation of the laws of the Member States relating to the labelling, presentation and advertising of foodstuffs<sup>2</sup>**

This Directive concerns the labelling of foodstuffs to be delivered as such to the ultimate consumer and certain aspects relating to the presentation and advertising thereof. It was repealed by Regulation 2011/1169.

## **Regulation (EC) No 178/2002 of the European Parliament and of the Council of 28 January 2002 laying down the general principles and requirements of food law, establishing the European Food Safety Authority and laying down procedures in matters of food safety<sup>3</sup>**

In 2002, the European Parliament and the Council adopted [Regulation \(EC\) No 178/2002](#) laying down the general principles and requirements of food law (General Food Law Regulation).

The General Food Law Regulation is the foundation of food and feed law. It sets out an overarching and coherent framework for the development of food and feed legislation both at Union and national levels. To this end, it lays down general principles, requirements and procedures that underpin decision making in matters of food and feed safety, covering all stages of food and feed production and distribution.

It also sets up an independent agency responsible for scientific advice and support, the [European Food Safety Authority](#) (EFSA).

Moreover, it creates the main procedures and tools for the management of emergencies and crises as well as the [Rapid Alert System for Food and Feed](#) (RASFF).

The General Food Law Regulation ensures a high level of protection of human life and consumers' interests in relation to food, while ensuring the effective functioning of the internal market.

The Regulation states that the labelling, advertising, presentation and packaging shall not mislead consumers.

## **Regulation (EC) No 854/2004 of the European Parliament and of the Council of 29 April 2004 laying down specific rules for the organisation of official controls on products of animal origin intended for human consumption<sup>4</sup>**

---

<sup>1</sup> [https://ec.europa.eu/food/sites/food/files/safety/docs/gfl\\_white-paper\\_food-safety\\_2000\\_en.pdf](https://ec.europa.eu/food/sites/food/files/safety/docs/gfl_white-paper_food-safety_2000_en.pdf)

<sup>2</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A32000L0013>

<sup>3</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32002R0178>

<sup>4</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32004R0854>

This Regulation laid down specific rules for the organisation of official controls on products of animal origin. It was repealed and replaced by Regulation 2017/625.

### **Regulation (EU) No 1169/2011 of the European Parliament and of the Council of 25 October 2011 on the provision of food information to consumers<sup>5</sup>**

This Regulation provides the basis for the assurance of a high level of consumer protection in relation to food information, taking into account the differences in the perception of consumers and their information needs whilst ensuring the smooth functioning of the internal market. It establishes the general principles, requirements and responsibilities governing food information, and in particular food labelling. It lays down the means to guarantee the right of consumers to information and procedures for the provision of food information, taking into account the need to provide sufficient flexibility to respond to future developments and new information requirements.

### **Report on the food crisis, fraud in the food chain and the control thereof (2013)<sup>6</sup>**

This Report called on the Commission to give food fraud the full attention it warrants and to take all necessary steps to make the prevention and combating of food fraud an integral part of EU policy.

### **Regulation (EU) 2017/625 of the European Parliament and of the Council of 15 March 2017 on official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection product<sup>7</sup>**

The [Official Controls Regulation \(EU\) 2017/625](#) addresses official controls and other official activities performed to ensure the application of food and feed law, rules on animal health and welfare, plant health and plant protection products

The new rules replace [Regulation \(EC\) No 882/2004](#) on official controls and other legislation which currently governs the control and enforcement of rules along the agri-food chain.

### **Commission Implementing Regulation (EU) 2019/1715 of 30 September 2019 laying down rules for the functioning of the information management system for official controls and its system components<sup>8</sup>**

The information systems managed by the Commission and to be integrated in the Information Management System for Official Controls (IMSOC) include the Rapid Alert System for Food and Feed (**RASFF**) for notifying direct or indirect risk to human health deriving from food, food contact material or feed; the system for notifying and reporting information on animal diseases (ADIS); the system for notifying and reporting the presence of pests in plants and plant products (**EUROPHYT**); the technical tools for Administrative Assistance and Cooperation (**AAC**) and the TRAdE Control and Expert System (**TRACES**) system.

---

<sup>5</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32011R1169>

<sup>6</sup> <https://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2013-0434&format=PDF&language=EN>

<sup>7</sup> <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX:32017R0625>

<sup>8</sup> <https://eur-lex.europa.eu/legal-content/en/TXT/?uri=CELEX:32019R1715>



## **RASFF<sup>9</sup>**

Created in 1979, RASFF enables information to be shared efficiently between its members (EU Member State national food safety authorities, Commission, EFSA, ESA, Norway, Liechtenstein, Iceland and Switzerland) and provides a round-the-clock service to ensure that urgent notifications are sent, received and responded to collectively and efficiently. Thanks to RASFF, many food safety risks had been averted before they could have been harmful to European consumers.

Vital information exchanged through RASFF can lead to products being recalled from the market. A robust system, which has matured over the years, RASFF continues to show its value to ensure food safety in the EU and beyond.

## **EUROPHYT<sup>10</sup>**

EUROPHYT is a notification and rapid alert system dealing with [Interceptions](#) for plant health reasons of consignments of plants and plant products imported into the EU or being traded within the EU itself. EUROPHYT is established and run by the Directorate General for Health and Food Safety of the European Commission.

EUROPHYT provides an essential support for the implementation of preventative measures by ensuring that the data on risks to plant health from trade in plants and plant products is up-to-date and accurate.

## **AAC<sup>11</sup>**

The AAC is the information technology system developed and managed by the European Commission for EU countries to exchange data in a structured manner regarding non-compliances and potential intentional violations of the EU agri-food chain legislation.

The AAC system contains two parts:

- one part dedicated to the [Food Fraud Network](#)
- one part dedicated to every request for Administrative Assistance and Cooperation which does not present profiles of human or animal risks, health risks and/or suspicion of potential intentional violations of the EU agri-food chain legislation

The AAC system works in parallel with RASFF. It enables information to be shared efficiently and allows swift reaction when risks to public health are detected in the food chain.

The AAC system is a tool for an EU country to rapidly contact the competent authorities of another EU country and share information which can lead to administrative actions and/or sanctions or judicial proceedings.

The AAC system works on a voluntary basis and only for cross-border issues. Thus, the number of exchanges in the system neither represents the entirety of non-compliances

---

<sup>9</sup> [https://ec.europa.eu/food/safety/rasff\\_en](https://ec.europa.eu/food/safety/rasff_en)

<sup>10</sup> [https://ec.europa.eu/food/plant/plant\\_health\\_biosecurity/europhyt\\_en](https://ec.europa.eu/food/plant/plant_health_biosecurity/europhyt_en)

<sup>11</sup> [https://ec.europa.eu/food/safety/food-fraud/aas\\_en](https://ec.europa.eu/food/safety/food-fraud/aas_en)

(unintentional violation of the EU food and feed legislation) nor the entirety of food fraud incidents (intentional violation of the EU food and feed legislation) occurring in the EU.

## TRACES<sup>12</sup>

TRACES is the European Commission's multilingual online management tool for all sanitary requirements on **intra-EU trade and importation of animals, semen and embryo, food, feed and plants**.

Its main objective is to digitise the entire certification process and linked procedures, and is in line with the declaration of the Digital Agenda for Europe.

## Definition of food fraud

One of the first definitions of “food fraud” at EU level was made in the *Report on the food crisis, fraud in the food chain and the control thereof* (2013)<sup>13</sup>. The document described it as a collective term used to encompass the deliberate and intentional substitution, addition, tampering, or misrepresentation of food, food ingredients, or food packaging; or false or misleading statements made about a product for economic gain. Drawing on from this definition the key characteristics of food fraud were identified as: 1) non-compliance with food law and/or misleading the consumer, 2) which is done intentionally and 3) for reasons of financial gain. Different types of food fraud include adulteration, substitution, tampering and counterfeiting. Products most at risk include fish, olive oil and organic foods.

In other words, fraud in the context of food means that the description of the origin of food, its composition and how it has been obtained and/or prepared, shall be truthful, i.e. nothing of lesser economic value must be added, or removed if it is of higher economic value. If food is misdescribed, i.e. the information about origin, composition, etc provided to customers is not true and if this misdescription is done with the intention to deceive the customer for financial gain, food fraud - also known as economically motivated adulteration - is committed. Economically motivated adulteration of food is estimated to create damage of around € 8 to 12 billion per year. EU citizens have the right to be protected from such practices and to receive accurate information about the food they choose to purchase<sup>14</sup>.

Food fraud exists whenever individuals or businesses intentionally deceive the consumers, gaining an unfair advantage and violating the agri-food chain legislation<sup>15</sup>. The intentional infringements to the EU agri-food chain legislation may also constitute a risk to human, animal or plant health, to animal welfare or to the environment as regards [Genetic Modified Organisms](#) (GMOs) and [pesticides](#).

Four key operative criteria are referred to for distinguishing whether a case should be considered as fraud or as non-compliance: if a case matches all four criteria, then it is considered a suspicion of fraud. These criteria correspond to the rules currently in place in the EU countries to report frauds:

---

<sup>12</sup> [https://ec.europa.eu/food/animals/traces\\_en](https://ec.europa.eu/food/animals/traces_en)

<sup>13</sup> <https://www.europarl.europa.eu/sides/getDoc.do?type=REPORT&reference=A7-2013-0434&format=PDF&language=EN>, p.14

<sup>14</sup> [https://ec.europa.eu/knowledge4policy/food-fraud-quality/topic/food-fraud\\_en](https://ec.europa.eu/knowledge4policy/food-fraud-quality/topic/food-fraud_en)

<sup>15</sup> [https://ec.europa.eu/food/safety/food-fraud/what-does-it-mean\\_en](https://ec.europa.eu/food/safety/food-fraud/what-does-it-mean_en)

1. **Violation of EU law:** it involves a violation of one or more rules codified in the EU agri-food chain legislation.
2. **Intention:** it can be verified through a number of factors which give strong grounds to believe that certain non-compliances are not happening by chance, such as the replacement of a high quality ingredient with a lower quality one (if a contamination due to production processes is possible, when an ingredient is mostly replaced with a lower quality one there is substitution, which often implies fraudulent intent).
3. **Economic gain:** it implies some form of direct or indirect economic advantage.
4. **Deception of customers:** it involves some form of deception of the customers/consumers (example: altered colouring or altered labels, which mystify the true quality or, in worse cases even the nature of a product). The deceptive element may also come in the form of a public health risk as some real properties of the product are hidden (for example, undeclared allergens).

### **Food Fraud Network<sup>16</sup>**

Since 2013, the [EU Food Fraud Network](#) allows the Member States and some other European countries to exchange information and to cooperate on a voluntary basis in matters where they are confronted with violations of the EU agri-food chain legislation of cross-border nature.

This helps the European countries involved to work in accordance with the rules laid down in the [Official Controls Regulation](#) in matters where the national authorities are confronted with possible intentional violations of the EU agri-food chain legislation with a cross-border impact.

The [EU Food Fraud Network](#) connects the bodies designated by each Member State, some other European countries (Switzerland, Norway and Iceland), representatives from the European Commission services and representatives from Europol.

It allows assisting and coordinating communication between competent authorities and, in particular, transmitting and receiving requests for assistance.

The liaisons bodies are required to exchange information necessary to enable the verification of compliance with EU agri-food chain legislation with their counterparts and, in certain cases, with the Commission, where the results of official controls require action in more than one country.

### **Knowledge Centre for Food Fraud and Quality<sup>17</sup>**

The Knowledge Centre for Food Fraud and Quality (KC-Food), provides and shares up-to-date scientific knowledge on food fraud and food quality issues. It coordinates market surveillance activities and operates early warning and information system for food fraud.

Collectively operated by the Commission's science and knowledge service, the Joint Research Centre (JRC) and the Departments regulating the feed-food chain and protecting consumer rights, the KC-Food works to:

---

<sup>16</sup> [https://ec.europa.eu/food/safety/food-fraud/ffn\\_en](https://ec.europa.eu/food/safety/food-fraud/ffn_en)

<sup>17</sup> [https://ec.europa.eu/knowledge4policy/food-fraud/about\\_en](https://ec.europa.eu/knowledge4policy/food-fraud/about_en)

- Create formalised science/policy interface in support of initiatives for safe-guarding the quality of agri-food products and protecting the integrity of the food chain;
- Ensure knowledge sharing among different Commission departments, scientists and competent authorities in EU countries through a Community of Practice;
- Build collaboration with authorities in third countries.

The Centre complements the activities of the [EU Food Fraud Network](#), which is operated by the [European Commission Department for Health and Food Safety](#).

### **Operations Opson<sup>18</sup>**

These operations are led jointly by EUROPOL and INTERPOL and target fake and substandard food and beverages. Since 2011, eight such operations have been carried out.

Operation OPSON, in all its phases, has retained the same legal scope and framework targeting:

- Counterfeit food and beverages
- Substandard food and beverages

#### 1.1.2 National/regional legislation and rules

This section provides a brief overview of some important national legislation and rules regarding the prevention of fraud in the agri-food sector:

**Law on the Bulgarian Food Safety Agency<sup>19</sup>** - Закон за Българската агенция по безопасност на храните (Обн., ДВ, бр. 8 от 25.01.2011 г.)

The law establishes the Bulgarian Food Safety Agency as the competent state authority for implementing official control in relation with food safety. The law sets out provisions regarding the functions, structure, management and funding of BFSA.

**Food Law<sup>20</sup>** - Закон за храните (Обн., ДВ, бр. 90 от 15.10.1999 г.)

The law sets out provisions regarding the requirements, measures and conditions for ensuring foods' hygiene, safety, packaging, labelling, presentation, including advertisement. The law also sets out the requirements to all stages of food production, processing, distribution and trade.

**Law on Veterinary Activities<sup>21</sup>** - Закон за ветеринарномедицинската дейност (Обн., ДВ, бр. 87 от 1.11.2005 г.)

---

<sup>18</sup> <https://www.europol.europa.eu/activities-services/europol-in-action/operations/operation-opson>

<sup>19</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_Bylgarskata\\_agenciq\\_po\\_bezопасnost\\_na\\_hrani\\_te\(1\).pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_Bylgarskata_agenciq_po_bezопасnost_na_hrani_te(1).pdf)

<sup>20</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_hrani\(1\).pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_hrani(1).pdf)

<sup>21</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_veterinarnomedicinskata\\_dejnost\(1\).pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_veterinarnomedicinskata_dejnost(1).pdf)

The law sets out provisions regarding the implementation, management and control of veterinary activities and introduces the principles of veterinary legislation of the European Union and the World Organisation for Animal Health.

**Plant Protection Act<sup>22</sup>** - Закон за защита на растенията (Обн., ДВ, бр. 61 от 25.07.2014 г.)

The law sets out provisions related to phytosanitary measures, protection of plants and plant products, requirements on the plant protection products and services, requirements on fertilisers, etc.

**Animal Protection Act<sup>23</sup>** - Закон за защита на животните (Обн., ДВ, бр. 13 от 8.02.2008 г.)

The law sets out provisions related to the protection of animals and mechanisms for its implementation.

**Livestock Law<sup>24</sup>** - Закон за животновъдството (Обн., ДВ, бр. 65 от 8.08.2000 г.)

The law sets out provisions related to the organisation and management of livestock breeding, breeding activities in animal husbandry, production and trade of agricultural animals.

**Feed Act<sup>25</sup>** - Закон за фуражите (Обн., ДВ, бр. 55 от 7.07.2006 г.)

The law sets out provisions related to the requirements, measures and conditions for ensuring feeds' hygiene, safety, packaging, labelling, presentation, including advertisement. The law also sets out provisions related to all stages of production, processing, storage, transportation, marketing and use of feed. It also provides rules regarding the conduct of official control and sets out the powers of the official control bodies.

**Act implementing the Common Agricultural Market Organization of the European Union<sup>26</sup>** - Закон за прилагане на Общата организация на пазарите на земеделски продукти на Европейския съюз (Обн., ДВ, бр. 96 от 28.11.2006 г.)

The law sets out rules on the application of market measures included in the Common Market Organization in agricultural products of the EU and state aid measures which are part of the Common Agricultural Policy of the EU.

---

<sup>22</sup><http://www.babh.government.bg/userfiles/files/Zakoni/%20%D0%B7%D0%B0%20%D0%B7%D0%B0%D1%89%D0%B8%D1%82%D0%B0%20%D0%BD%D0%B0%20%D1%80%D0%B0%D1%81%D1%82%D0%B5%D0%BD%D0%B8%D1%8F%D1%82%D0%B0.pdf>

<sup>23</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_zasita\\_na\\_jivotnite.pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_zasita_na_jivotnite.pdf)

<sup>24</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_jivotnovydstvoto.pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_jivotnovydstvoto.pdf)

<sup>25</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/Zakon%20za%20furajite\\_izm%20DV%2017\\_2018.pdf](http://www.babh.government.bg/userfiles/files/Zakoni/Zakon%20za%20furajite_izm%20DV%2017_2018.pdf)

<sup>26</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON\\_za\\_prilagane\\_na\\_Obshtata\\_organizacij\\_na\\_pazarite\\_na\\_zemedelski\\_produkti\\_na\\_Evropskiq\\_sauz\\_\(Zagl.\\_izm.\\_- DV%2C br. .pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON_za_prilagane_na_Obshtata_organizacij_na_pazarite_na_zemedelski_produkti_na_Evropskiq_sauz_(Zagl._izm._- DV%2C br. .pdf)



**Law on Genetically Modified Organisms<sup>27</sup>** - ЗАКОН за генетично модифицирани организми. (Обн., ДВ, бр. 27 от 29.03.2005 г.)

The law sets out provisions related to work with GMOs in controlled setting, their release in the environment and on the market, the import, export and transit of GMOs, and the control on these activities.

### 1.1.3 Description of the system for fraud prevention

The Ministry of Agriculture, Food and Forestry and the Ministry of Health perform state policy in the field of food safety. Within the Ministry of Agriculture, Food and Forestry (MAF), the Policies on Agri-food Chain Directorate (PAFCD) is responsible for the development and co-ordination of the implementation of MAF policy in the field of food safety and quality, feed safety, animal health and welfare and plant health. The Bulgarian Food Safety Agency (BFSA) under the Ministry of Agriculture, Food and Forestry is the competent authority performing official control of food safety and food quality, feed, plant protection products and fertilizers, animal byproducts, animal health and welfare, and plant health. At regional level, BFSA has 28 Regional Food Safety Directorates (RFSD) responsible for the implementation of the official controls<sup>28</sup>.

The Ministry of Health (MH) is also responsible in developing food safety policy in the field of food of non-animal origin. State Health Control Directorate (SHCD) has as well the role of co-ordination and supervision of official controls on bottled natural mineral, spring and table waters, performed by the 28 Regional Health Inspectorates (RHI).

### **Ministry of Agriculture, Food and Forestry**

As seen in the previous section, the framework legislation for food and feed safety controls comprises: Law on BFSA; Food Law; Veterinary Activity Law; Feed Law and the Plant Protection Law. Detailed requirements are set out in specific Ordinances.

#### *Policies on Agri-food Chain Directorate*

The Directorate is responsible for development and co-ordination of the implementation of MAF policy in the field of food safety and quality, feed safety, animal health. The Directorate is responsible for harmonisation of legislation and co-ordination of the control authorities within the Ministry. The Directorate performs audit of the official control carried out by the Bulgarian Food Safety Agency in accordance with art. 4 (6) of Regulation (EC) № 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules. The Directorate represents the Ministry at international forums including WHO, FAO and Codex Alimentarius. The main tasks of the PAFCD are to:

- Develop and co-ordinate the implementation of MAF policy in the field of food safety and quality, feed safety, animal health and welfare and plant health;

---

<sup>27</sup> [http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON za genetichno modificirani organizmi.pdf](http://www.babh.government.bg/userfiles/files/Zakoni/ZAKON%20za%20genetichno%20modificirani%20organizmi.pdf)

<sup>28</sup> [https://ec.europa.eu/food/audits-analysis/act\\_getProfile.cfm?pdf\\_id=412](https://ec.europa.eu/food/audits-analysis/act_getProfile.cfm?pdf_id=412), pp.4-7

- Draft legislative acts and amendments of the current legislation in the field of food and feed safety, animal health and welfare and plant health;
- Prepare the MANCP in accordance with Regulation (EC) № 882/2004 and the annual report on its implementation;
- Co-ordinate the work of the control bodies, laboratories and other national bodies within MAF performing official feed and food control;
- Performs audits of official control carried out by the Bulgarian Food Safety Agency in accordance with art. 4 (6) of Regulation (EC) № 882/2004 of the European Parliament and of the Council of 29 April 2004 on official controls performed to ensure the verification of compliance with feed and food law, animal health and animal welfare rules;
- Co-ordinate and manage the control bodies within the MAF during the preparation of contingency plans for food and feed;
- Receive applications for the placing on the market of Genetically Modified Organisms (GMOs) according to Directive 2001/18/EC, and participate in the Consultative Commission on GMOs, as well as, maintaining the register of authorised GMOs;
- Receive applications for the initial placing on the market of Genetically Modified Feeds;
- Function as the national contact point for the Rapid Alert System for Food and Feed (RASFF);
- Function as a National Contact Point for Codex Alimentarius;
- Participate in joint activities of EFSA, WHO, FAO, Codex Alimentarius and other international organisations in the field of food and feed safety, animal health and plant health;
- Prepare Bulgaria's position for participation in Council meetings, working groups and meetings of the Standing Committee on Plants, Animals, Food and Feed (PAFF Committee) in the field of food and feed safety, animal health and plant health;
- Participate in EU working groups and meetings of PAFF Committee in the field of food and feed safety, animal health and plant health.

### **Bulgarian Food Safety Agency<sup>29</sup>**

Bulgarian Food Safety Agency (BFSA) is an integrated body for controls of safety and quality of food and feed in Republic of Bulgaria. Being established at the beginning of 2011, BFSA follows the best European practices for implementation of highest standards of controls in the areas of safety and quality of food, food- and feed additives and drinks, veterinary medicine and animal welfare, plant protection and fertilizers, phytosanitary controls, feed, border inspections and others. The BFSA experts are performing strict controls throughout the whole food chain, i.e. from the field, farm and/or stable up to the table on daily basis.

BFSA is exercising consistent policy for cooperation with all interested parties countrywide and with their industrial associations, in particular. Together with those, BFSA is developing and establishing standards aimed to raise the quality of certain basic food products, such as bread and other bakery or pastry products, milk, milk- and meat products, together with some other traditional Bulgarian foodstuffs.

<sup>29</sup> <http://www.babh.government.bg/en/>

BFSA is exercising regular cooperation with European Food Safety Agency (EFSA), with all other EU authorities in the area and with all other EU Member States' or third countries' competent authorities (CAs) responsible for food safety in their countries.

The BFSA is structured by combining the National Veterinary Service, the National Plant Protection Service (except the Institute for Plant Protection), as well as the National Grain and Feed Service, the Regional Health Inspectorates and the units of the administrative districts' 'Agriculture' Directorates.

Bulgarian Food Safety Agency (BFSA) exercises controls and supervision of the compliance with any regulatory requirements concerning:

- food and feed safety, but also the phytosanitary activities, products for plant protection and fertilizers;
- veterinary medical activities, animal health and animal welfare;
- animal by-products not intended for human consumption;
- feed;
- raw materials and any foods excluding the bottled natural mineral, spring or table waters;
- food-contact materials and objects;
- compliance of quality of fresh fruits and vegetables with relevant EU standards applicable to placing on the market.

Bulgarian Food Safety Agency (BFSA) performs also:

- assessment of compliance of quality characteristics of foodstuffs against the requirements laid down in national standards, standards developed by respective industrial associations and approved by the Competent Authority (i.e. by BFSA) and/or respective technological documentations;
- laboratory-diagnostic and research activities;
- risk assessment and risk communication;
- training and qualification.

### **Risk Assessment Center on Food Chain<sup>30</sup>**

The Risk Assessment Center on Food Chain is the successor of the Risk Assessment Centre, established pursuant to the [Bulgarian Food Safety Agency Act](#). Similar to its predecessor, it provides independent scientific assessment of risks related to food safety, animal health and welfare, food and feed additives, GMOs, dietetic products, nutrition and allergens, materials and articles intended for contact with food, enzymes, flavourings and supporting substances, biological hazards, contaminants, plant health and plant protection. It informs the public and stakeholders about problems connected to food and feed safety, animal and plant health.

### **Ministry of Health**

*State Health Control Directorate (SHCD)*

---

<sup>30</sup> <http://corhv.government.bg/>

The SHCD develops the food safety policy including the official controls on bottled natural mineral, spring and table waters and the nutrition of the different population groups.

The main tasks of SHCD are to:

- Develop and co-ordinate the implementation of MH policy in the field of food of nonanimal origin, bottled natural mineral, spring and table waters and the nutrition of the population as a whole;
- Prepare legislative acts and amendments of the current legislation in the field of horizontal legislation and food of non-animal origin with the MAF;
- Participate in the preparation of the MANCP in accordance with Regulation (EC) 882/2004 and the annual report on its implementation;
- Co-ordinate the official control of the regional bodies on bottled natural mineral, spring and table waters and the nutrition of the population and execute the procedures for the recognition of the natural mineral waters;
- Co-ordinate the work of the laboratories within MH performing official food analyses;
- Develop instructions, guidelines, opinions and plans of action for the implementation of the legislation in the field of bottled natural mineral, spring and table waters and the nutrition of the population;
- Prepare and co-ordinate training activities of the regional control bodies within the MH;
- Receive applications for the placing on the market of Genetically Modified Foods, (GMFs) and Novel Foods, registration of food irradiation facilities and registration of its activities;
- Function as a competent contact point for the RASFF;
- Participate in joint activities of EFSA, WHO, FAO, Codex Alimentarius and other international organisations in the field of food safety and nutrition, natural mineral waters;
- Prepare Bulgaria's position for participation in Council meetings, working groups and Standing Committee on Plants, Animals, Food and Feed (SCPAFF) meetings for which it is designated by an order of the Minister of Health;
- Participate in EU working groups and meetings of SCPAFF in the field of food safety.

#### 1.1.4 Regional and national strategies, operational programmes complementary to legislation

The two main operational programmes relevant to this topic are Rural Development Programme (RDP) and Operational Programme “Innovations and Competitiveness” (OPIC).

##### **Rural Development Programme 2014-2020**

Rural Development in Bulgaria is managed nationally through **one Rural Development Programme (RDP)**, funded under the [European Agricultural Fund for Rural Development](#) (EAFRD) and national contributions. The RDP sets out priority approaches and actions to meet the needs of the specific geographical area it covers<sup>31</sup>.

---

<sup>31</sup> [https://enrd.ec.europa.eu/country/bulgaria\\_en](https://enrd.ec.europa.eu/country/bulgaria_en)

The Managing Authority of the programme is the Ministry of Agriculture, Food and Forestry. The Paying Agency is State Fund Agriculture.

The Bulgarian Rural Development Programme (RDP) was formally adopted by the European Commission on 26 May 2015, outlining Bulgaria's priorities for using € 2.9 billion of public money that is available for the period 2014-2020 (€ 2.4 billion from the EU budget, including € 28 million transferred from the Bulgarian envelope for CAP direct payments and € 0.5 billion of national funding). Under the first objective of improved competitiveness and balanced development of the country's agri-food and forestry sectors, about 3 500 agriculture holdings and about 120 companies active in the forestry sector are expected to receive investment support. More than 4 000 small farmers will receive support to develop their farms and 1 630 young farmers will receive start up aid to launch their businesses. Under the second objective of protection and sustainable management of ecosystems, efficient use of natural resources and mitigation and adaptation to climate change, support for conversion and maintenance of organic farming will cover about 46 000 ha (out of which 23 000 ha will cover conversion to organic farming). Agri-environment-climate measures will be implemented on 113 000 ha and 60 000 ha in designated Natura 2000 areas will benefit from compensatory support. Under the third objective of socio-economic development of rural areas, more than 4 200 jobs will be created through diversification and development of small enterprises, and another 600 jobs via the implementation of local development strategies. One third of the rural population will benefit from improved infrastructure<sup>32</sup>.

Bulgaria's RDP will fund actions under all six Rural Development priorities – with a particular emphasis on Competitiveness of agri sector and sustainable forestry as well as Social inclusion and local development in rural areas. A thematic sub-programme will be implemented to help the sustainable development of small farms. Here follows brief explanation of the two most relevant priorities of the programme:

*Priority 2: Competitiveness of agri sector and sustainable forestry*

The number of holdings to be supported for investments will be 3 500 (1 %) while the number of beneficiaries receiving start up aid for development of small farms will be 4 060. 1 630 (0.44 %) agricultural holdings will receive start-up aid for young farmers. Support is also foreseen for improving the economic performance of 120 companies active in the forestry sector.

*Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management in agriculture*

450 agricultural holdings (0.12 %) will receive support for participating in local markets and short supply chains as well as in producer organisations. 1 555 operations will be supported linked to investments for production or marketing of agricultural products, as well as 40 producer groups involving 170 agricultural holdings.

**Operational Programme „Innovations and Competitiveness“**

---

<sup>32</sup> [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key\\_policies/documents/rdp-factsheet-bulgaria\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/key_policies/documents/rdp-factsheet-bulgaria_en.pdf), pp.1-3



Operational Programme “Innovations and Competitiveness” 2014 – 2020 (OPIC) is one of the national programmes funded by the Structural Funds of the European Union, under which micro-, small and medium-sized enterprises may receive financial grants. The support is focused on the development of innovations, entrepreneurship, growth of capacity of small and medium-sized enterprises (SME), energy and resource efficiency of companies. The total budget of OPIC 2014-2020 is EUR 1,27 billion, with financing from the European Regional Development Fund (ERDF) exceeding EUR 1,079 billion (85% of the budget), and the national co-financing total a little over EUR 191 million (15% of the budget). The resources under the Programme for SMEs are allocated in five priority axis:

- Priority axis 1 „Technological development and innovation“;
- Priority axis 2 „Entrepreneurship and Capacity for Growth of SMEs“;
- Priority axis 3 „Energy and resource efficiency“;
- Priority axis 4 „Removing bottlenecks in security of gas supplies“
- Priority 5 “Technical Assistance”<sup>33</sup>.

Managing authority of the programme is Ministry of Economy - European Funds for Competitiveness Directorate General.

#### *Priority axis 2 „Entrepreneurship and Capacity for Growth of SMEs“*

This priority axis, which is in the focus of the project, has two investment priorities:

- Investment Priority 2.1. Access to finance for supporting entrepreneurship
- Investment Priority 2.2: Capacity for SMEs to grow

The first Investment Priority provides for support to promote entrepreneurship and facilitate access to financing for enterprises (both existing and newly created) under priority area "Entrepreneurship " and "Access to Funding" of the National Strategy for Promotion of SMEs 2014-2020. The implementation of the indicative activities under this investment priority aims at achieving positive effect on the sustainability of the newly created enterprises.

Actions supported under this investment priority include:

- Financial instruments in support of entrepreneurship incl. financial instruments combined with grants;
- Encouraging entrepreneurial ideas in areas related to European and regional challenges and sectors defined in the National Strategy for Promotion of SMEs.

For agrifood sector ones, the inclusion of quality-based measures is possible and desirable.

Under the second Investment Priority, support is to be provided for strengthening the competitiveness of the Bulgarian enterprises, including meeting the criteria for priority

---

<sup>33</sup> <https://mi.government.bg/en/pages/op-inovacii-i-konkurentosposobnost-2014-2020-g--262.html>

areas "Access to Finance", "Internationalization" and "Skills and innovation" of the National Strategy for Promotion of SMEs 2014-2020.

The implementation of the indicative measures under this investment priority aims at achieving a positive effect on the development of a sustainable market competitiveness of the Bulgarian SMEs, in order to increase their productivity and export potential. Particular emphasis is placed on the quality of products and services to businesses, their potential to realize higher performance in the value chain and rapid provision of market stability in a highly dynamic and competitive environment. The expected results are related to the creation and development of competitiveness of the enterprises based on improved efficiency and effectiveness of the production processes, incl. by improving resource efficiency, increased production capacity and quality of products, improved capacity to manage and implement new business models and practices. By accessing the technology and innovative resource, the Bulgarian SMEs will realize the opportunities offered by the global market and thus improve their market position.

The support under this investment priority is envisaged to be focused on, but not limited to the following indicative groups of activities and combinations thereof:

- general productive investments for enhancing the production capacity for growth through effective and efficient use of the factors of production and through creation of opportunities for adoption and adaptation of European and international knowledge and technology;
- support for specialized services to SMEs to develop and strengthen the management capacity;
- support for the growth of businesses by improving the quality and by promoting the use of ICT and services;
- support for the implementation of activities and services for direct benefit of the business development and opportunities for SMEs export.

The instrument should be improved to better respond to the challenges and entrepreneurial demands of SMEs in the agrifood sector, improving the quality standards and support the export potential and internationalisation of the SMEs.

Both investment priorities give priority to projects in RIS3 areas of smart specialization. It is important to note that foodstuff industry is one of the technological areas identified in the Innovation Strategy for Smart Specialisation of the Republic of Bulgaria (RIS3).

#### 1.1.5 Statistics and Analyses

##### **Place of agrarian sector in national economy**

According to the latest Agricultural Report from 2019<sup>34</sup>, published annually by the Ministry of Agriculture, Food and Forestry, the gross value added created by the sectors of the national economy in 2018 amounted to BGN 95,119 million (EUR 48,634 million) at current prices, showing real growth of 3.5% compared to the previous year. The value added of

---

<sup>34</sup> [https://www.mzh.government.bg/media/filer\\_public/2020/02/11/agrarian\\_report\\_2019.pdf](https://www.mzh.government.bg/media/filer_public/2020/02/11/agrarian_report_2019.pdf), p.12-16

the subjects of the agricultural sector in 2018 amounted to BGN 3,698 million at current prices. In real terms, it shrank by 2.0% on annual basis.

By economic sectors, the GVA for 2018 was distributed as follows:

- Industry (including construction) - 25.8%;
- Services - 70.3%;
- Agrarian (agriculture, forestry and fisheries) - 3.9%.

The share of the agrarian sector in total GVA decreased by 0.8 percentage points compared to the previous year.

Preliminary data indicate a slight annual increase of GVA formed by the agricultural sector in real terms by 0.1% in the first quarter of 2019 and an increase of 3.9% in the second quarter.

The number of persons employed in the agriculture, forestry and fisheries sectors decreased by 6.2% down to 207.4 thousand, leading to a slight shrinking of the sector's relative share in the employment structure by economic activities to 6.6% (7% in 2017).

In the agriculture, forestry and fisheries sector there was an increase in the salary of 9% on an annual basis, up to an average of BGN 10,883 per person.

Net foreign investments in agriculture, forestry and fisheries during the year amounted to EUR 11.6 million.

## **Bulgaria's contribution to EU system of food fraud prevention**

### *RASFF*

In 2018, the Unified National Contact Point of the Republic of Bulgaria received a total of 3 628 RASFF notifications which were checked, analysed and actions were taken. In 2018, 100 notifications were prepared and sent by Bulgaria to the European Commission. This is the second highest number of RASFF notifications received in the last five years and the second highest number of sent notifications in the same period. In this period, the highest number of notifications were received in 2016 – 3 768, while the highest number of notifications were sent in 2017 – 109.

### *Administrative Assistance and Cooperation*

In 2018, a total of 16 files were received under the Administrative Assistance and Cooperation system at EU level. From Bulgaria, 1 initial notification was made. There has been a small, but steady increase in the number of files received since 2016 when 11 files were received (of which Bulgaria was an affected party under 3 cases).

### *Administrative Assistance and Cooperation - Food Fraud Network*

In 2018, a total of 17 notifications were received under the system, on which Bulgaria provided the necessary information. One notification was issued by Bulgaria for established violations, counterfeiting and food fraud. This is the second highest number of notifications received since 2016 when a total of 20 notifications were received under the

system (of which Bulgaria was an affected member state and provided information on five cases).

As has been noted by successive Agricultural Reports, there has been an increase in the number of created and distributed notifications through the Administrative Assistance and Cooperation system – Food Fraud Network. This is due to the fact that the EC is campaigning extensively to reduce food fraud and ensure transparency and quality in food production, as well as to protect consumer confidence in EU-produced foods. However the system remains a relatively new, not well-researched system, not only for Bulgaria but also for other EU Member States.

### *Operation Opson*

Bulgaria has actively participated in the joint anti-food fraud operations, carried out by Europol and Interpol on a regular basis. In 2018, Bulgaria participated in the joint operation OPSON VIII to counter food fraud in the organic food sector. The total number of notifications under Operation OPSON VIII - Organic Production was 13. In 2017, BFSA participated in OPSON's international operation against the proliferation of falsified and non-compliant food and beverages. From food production sites, food wholesalers, logistics centres and commercial establishments, over 69 tonnes of meat and meat products, milk and dairy products, ice cream, fish products and others were seized, destroyed or targeted for re-labelling. More than 6,700 packages of chocolate desserts and candies were stopped. The inconsistencies found during the operation concerned the storage and marketing of shelf-life foods, the replacement of shelf-life of foodstuffs, the offering of meat without health mark, the inability to trace raw materials and foods. In connection with the established inconsistencies of the business operators, a total of 25 acts for establishing an administrative violation were handed over.

#### 1.1.6 Funding and support schemes for projects on these topics

##### **OPIC and Rural Development Programme (RDP)<sup>35</sup>**

The support under OP "Innovation and Competitiveness" and the Rural Development Programme (RDP) is mutually complementing in terms of innovation, development of SMEs sector and energy efficiency, the demarcation between the two programmes is based on the territorial scope, eligible sectors, target groups and beneficiaries and the types of activities included in the scope of the relevant priorities.

The support for innovation under PA 1 of OPIC is in line with the thematic areas and horizontal policies identified in RIS3 except those covered by the RDP (e.g. Production of organic food). The support for innovation under RDP is horizontal and is provided for sectors of agriculture and food industry for processing and marketing of products from Annex I to the TFEU, with the exception of fish and fishery products. Within the European Innovation Partnership "Agricultural Productivity and Sustainability" support will be provided for the establishment and functioning of the operating groups that will implement specific innovative project.

---

<sup>35</sup>[http://www.opcompetitiveness.bg/images/filerepository/3733\\_OPIC\\_2014\\_2020\\_adopied\\_by\\_EC\\_16.03.2015\\_EN.pdf](http://www.opcompetitiveness.bg/images/filerepository/3733_OPIC_2014_2020_adopied_by_EC_16.03.2015_EN.pdf), pp. 132-133

In terms of support for SMEs and start-ups under PA 2 of OPIC SMEs from the sectors defined in NSPSMEs (high, medium and low technology sectors) will be supported, with the exception of sub-sectors of the food industry for the processing and marketing of products from Annex I to the TFEU, covered by RDP and with the exception of fish and fishery products. Investment support and initial aid for non-agricultural activities is provided to small and medium enterprises throughout the entire territory of the country and to micro enterprises outside rural areas.

RDP provides investment support for modernization of farms and enterprises, processing and adding value to agricultural products, incl. food industry for processing and marketing of product from Annex I to the TFEU, with the exception of fish and fishery products. Investment support and initial aid for non-agricultural activities is given to micro enterprises in rural areas.

In terms of energy efficiency OPIC (PA 3) addresses problems of high energy intensity of manufacturing enterprises, with the exception of farmers and enterprises from food industry for processing and marketing of products from Annex I to the TFEU, subject of support under RDP. Both programmes will provide support for use of energy from renewable sources for own consumption. Enterprises – beneficiaries of OPIC will have the opportunity to implement measures for use of biomass, including primary and secondary biomass of products from Annex I. The production of biomass in forestry will be supported under RDP.

The support for resource efficiency under OPIC is aimed at enterprises and / or groups of manufacturing enterprises for pilot and demonstration initiatives to increase the efficient use of resources. Enterprises from food industry for processing and marketing of product from Annex I to the TFEU are excluded.

The support under OPIC includes the following sectors: production of bread and bread products; production of chocolate and sugar confectionery; nutritional supplements; bio products. The support under OPIC excludes primary production of agricultural products, including fish and fishery products. In terms of the food industry, processing / marketing of agricultural products from Annex I to the TFEU, supported under RDP are excluded by OPIC: milk and milk products, meat and meat products, fruits and vegetables, including mushrooms, honey, cereals, grain mill and starch products, vegetable and animal oils and fats, technical and medical plants, including rose oil and herbs, prepared feeds for farm animals, grape must, wine and vinegar, energy production through processing plant and animal products with the exception of biomass of fishery products.

#### 1.1.7 Vision for the next decades (ideas, trends)

The Ministry of Agriculture, Food and Forestry has developed a Vision of the Republic of Bulgaria for the future of the Common Agricultural Policy after 2020<sup>36</sup>.

In its Vision, Bulgaria recognises the need to search for opportunities to improve the relations between the participants in the supply chain. The long-term perspectives of

---

<sup>36</sup> [https://www.mzh.government.bg/media/filer\\_public/2019/07/25/future\\_cap\\_bg\\_vision.docx](https://www.mzh.government.bg/media/filer_public/2019/07/25/future_cap_bg_vision.docx)



agriculture will improve only if the competitiveness of producers is enhanced and the share of value added in the supply chain is increased for agricultural producers.

In order to consolidate the positions of agricultural producers in the supply chain, it is necessary to take measures to promote their association in producers' organisations. The organisations provide producers with considerable economic advantages such as increasing opportunities for negotiating with merchants and processors more favourable prices, planning and decreasing production costs, application of production standards and innovations.

Bulgaria supports the idea of creating horizontal normative framework for limiting disloyal commercial practices in the agri-food chain at the level of EU, including provisions to ensure the stabilisation of the food chain and its separate units.

## 1.2 Practical examples

### 1.2.1. Regional initiatives

#### **Rural Development Programme**

Priority 3 of the Rural Development Programme, which focuses on promoting food chain organisation, animal welfare and risk management, allocated a budget of nearly 273 million euro public funds (9.5% of all RDP funding). This priority has two focus areas:

- 3A: Improving competitiveness of primary producers
- 3B: Farm risk prevention and management

Under focus area 3A: Improving competitiveness of primary producers, it is foreseen that 0.12% of agricultural holdings will receive support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations.

Two of the projects funded under this focus area are described in section „1.2.3. Best practices“.

Priority 2 of the Rural Development Programme, which focuses on enhancing farm viability, competitiveness of the agri-food sector and sustainable forest management allocated a budget of nearly 372 million euro public funds (12.9% of all RDP funds). This priority has three focus areas:

- 2A: Economic performance, restructuring and modernisation
- 2B: Generational renewal
- 2C+: Improve the economic performance of companies active in the forestry sector, timber industry and primary wood processing

Under focus area 2A: Economic performance, restructuring and modernisation, it is foreseen that 0.94 % of holdings will receive support from the Rural Development Programme.

Four of the projects funded under this focus area are described in section „1.2.3. Best practices“.

The biggest RDP measure in budgetary terms was Measure 4: Investments in physical assets with an allocation of 841 million euro. All the six good practice examples from the RDP described in section „1.2.3. Best practices“ were funded under this measure.

### **Operational Programme „Innovations and Competitiveness“**

Within the scope of Investment priority 2.2 “Capacity for SMEs to grow“ of Priority axis 2 „Entrepreneurship and Capacity for Growth of SMEs“, the Ministry of Economy launched BG16RFOP002-2.040 “Improving the production capacity of SMEs” call of proposals at the end of 2018<sup>37</sup>.

The focus of the projects funded under this call was on improving the production capacity of SMEs which would lead to increasing their competitiveness and strengthening their export potential. The available funding under this call was 146 687 250 BGN.

All three good practice examples from OPIC described in section „1.2.3. Best practices“ were funded under this investment priority.

Earlier in 2018, the Ministry of Economy launched BG16RFOP002-2.024 “Encouraging entrepreneurship” call of proposals within the scope of Investment priority 2.1 „Access to finance for supporting entrepreneurship“ of Priority axis 2<sup>38</sup>.

The focus of the projects funded under this call was on creating and developing new enterprises in priority sectors, as identified by the „National Strategy for SMEs“. The available funding under this call was 67 227 768.06 BGN.

#### 1.2.2. Videos

#### 1.2.3. Best practices

### **Modernisation of a frozen fruit processing plant<sup>39</sup>**

#### *Project summary*

Rural Development Programme, Priority 3: Food chain and risk management, Focus Area 3A: Agri-food chain integration & quality

Total budget: 584 365 BGN, RDP contribution: 292 183 BGN

An investment project for the modernisation and automation of a frozen fruits processing plant in order to minimise production losses.

‘BULFRUKT’ Ltd. is a family company first established in 1995 with more than 20-years’ experience in processing, freezing, packaging, storing and selling frozen soft fruit and

<sup>37</sup> <https://www.eufunds.bg/archive2018/index.php/bg/programen-period-2014-2020/operativni-programi-2014-2020/obyavi-za-nabirane-na-proektni-predlozheniya/item/19401-bg16rfop002-2-040-podobryavane-na-proizvodstveniya-kapatzitet-v-malkite-i-sredni-predpriyatiya>

<sup>38</sup> <https://www.eufunds.bg/archive2018/index.php/bg/programen-period-2014-2020/operativni-programi-2014-2020/obyavi-za-nabirane-na-proektni-predlozheniya/item/18577-bg16rfop002-2-024-nasarchavane-na-predpriemachestvoto>

<sup>39</sup> [https://enrd.ec.europa.eu/projects-practice/modernisation-frozen-fruit-processing-plant\\_en](https://enrd.ec.europa.eu/projects-practice/modernisation-frozen-fruit-processing-plant_en)

berries. Due to the seasonal character of the input raw material the production activity is seasonal and the company has to work as quickly and efficiently as possible. In addition, the ratio of losses to the quantity of production was over 34%.

To solve these problems, a new investment was put in place for the modernisation and production processes' automation. This investment project included the purchase, delivery and installation of a packing machine, an anti-vibration platform with a linear dispenser, a wrapping washing line and a three-axle electric motor.

#### *Project results*

This investment helped improve the competitiveness of BULFRUKT Ltd. This was achieved through modernisation which guarantees the profitable production of high quality product, through the use of modern technologies and strict control of the entire process.

### **Modernisation of a cannery to stimulate the local economy<sup>40</sup>**

#### *Project summary*

Rural Development Programme, Priority 3: Food chain and risk management, Focus Area 3A: Agri-food chain integration & quality

Total budget: 1 243 793.43 BGN, EAFRD: 466 791.62 BGN, National/Regional: 99 647.03 BGN, Private: BGN 748 656.51 BGN

Modernisation of a cannery with new machinery leading to improved competitiveness and a stronger local short supply chain.

Karnobatplod JSC is a company producing a wide range of canned fruit and vegetables without preservatives. The company needed to make improvements in order to respond to the increasing demand for high quality food. Support from the RDP helped the company to set up new refrigeration facilities and to acquire new equipment including stone removal machines, a peach peeling machine, a polishing machine, and an automated production line for the labelling and packaging of finished products.

#### *Project results*

The new machinery and equipment will facilitate increased production at a higher level of quality; processing large volumes of fruits and vegetables which, at very low market prices, would otherwise remain unused.

The investment will strengthen the local short supply chain, as greater quantities of fruit can be purchased directly from the local producers without intermediaries.

### **Expansion & modernisation of a sheep farm<sup>41</sup>**

#### *Project summary*

Rural Development Programme, Priority 2: Competitiveness, Focus Area 2A: Farm's performance, restructuring & modernisation

---

<sup>40</sup> [https://enrd.ec.europa.eu/projects-practice/modernisation-cannery-stimulate-local-economy\\_en](https://enrd.ec.europa.eu/projects-practice/modernisation-cannery-stimulate-local-economy_en)

<sup>41</sup> [https://enrd.ec.europa.eu/projects-practice/expansion-modernisation-sheep-farm\\_en](https://enrd.ec.europa.eu/projects-practice/expansion-modernisation-sheep-farm_en)

Total budget: 1 495 653.23 BGN, RDP contribution: 972 174.57 BGN

A market-driven investment to increase a sheep farm's competitiveness, through the intensification of high quality organic milk production.

The beneficiary 'Kamelia-Vasil Getov 1' Ltd. is a registered farmer with over 15 years of experience in grain and sheep milk production. The farmer wanted to improve the sustainability and the competitiveness of his farm. So, he explored ways to adapt to changing market trends, especially to address the increasing consumer demand for healthy, organic foods. In this context, the beneficiary decided to move into organic production. He used support from the Rural Development Programme to expand the farm's activities by investing in a new sheep farm building and in equipment for animal breeding (feeding, watering and milking).

#### *Project results*

The investment made milk production more efficient and cost-effective. It increased revenue and reduced the production cost. One new full-time job was created. Producing high quality organic milk enabled the company to respond to increasing demand for the product and to enter a niche market. The business maintained high environmental standards throughout the process and also improved hygienic, veterinary, and phytosanitary conditions.

### **Investing in a unit for processing, pasteurisation and storage of liquid eggs<sup>42</sup>**

#### *Project summary*

Rural Development Programme, Priority 2: Competitiveness, Focus Area 2A: Farm's performance, restructuring & modernisation

Total budget: 1 194 630 BGN, RDP support 597 315 BGN

A modern hen farm producing eggs for human consumption, set up a new unit to process non commercial eggs and therefore increase its competitiveness.

ECO FARM- 2005 operates a modern hen farm which produces eggs for human consumption. It can produce up to 195.000 eggs per day. However, about 8% of its eggs are cracked, broken or muddy and cannot be sold. These rejected eggs must either be binned or sold to an egg processing company in Bulgaria at low cost - often below their production cost. Support from the rural development programme enabled ECO FARM-2005 to set up a new processing unit capable of separating eggs from their shell, homogenisation, pasteurisation at 64°C, cooling and packaging in different packages.

#### *Project results*

The investment will lead to new products of higher quality, safety and traceability.

### **Supporting the modernisation of a poultry farm<sup>43</sup>**

#### *Project summary*

---

<sup>42</sup> [https://enrd.ec.europa.eu/projects-practice/investing-unit-processing-pasteurisation-and-storage-liquid-eggs\\_en](https://enrd.ec.europa.eu/projects-practice/investing-unit-processing-pasteurisation-and-storage-liquid-eggs_en)

<sup>43</sup> [https://enrd.ec.europa.eu/projects-practice/supporting-modernisation-poultry-farm\\_en](https://enrd.ec.europa.eu/projects-practice/supporting-modernisation-poultry-farm_en)

Rural Development Programme, Priority 2: Competitiveness, Focus Area 2A: Farm's performance, restructuring & modernisation

Total budget: 1 197 105.7 BGN, RDP support: 655 792.8 BGN, Private: 541 312.9 BGN

Modernization of a poultry farm by installing new, laying hen equipment and by renovating the production buildings.

A farm that produces eggs and which is located in an area of natural constraints, used RDP support to renovate and modernize the operation of two of its production sites, ensuring the competitive production of high-quality eggs and the long-term sustainability of the business.

The project financed the modernization of the production buildings, the supply and installation of laying hen equipment and an egg packing machine, as well as the purchase of a specialized vehicle for transporting the eggs.

#### *Project results*

The project improved the operation of the farm by modernising the available production assets and physical capital.

It improved the farm's energy efficiency and working conditions, as well as the hygienic, veterinary, phytosanitary, environmental and other conditions of production.

The easier operation and automation of the bird production process, leads to reduced manual labour and a more effective use of time.

Two new jobs were created by the project, contributing to employment levels in this rural area.

### **Modernisation of a buffalo farm in Bulgaria<sup>44</sup>**

#### *Project summary*

Rural Development Programme, Priority 2: Competitiveness, Focus Area 2A: Farm's performance, restructuring & modernisation

Total budget: 1 954 090.42 BGN, RDP support: 964 787.21 BGN, Private: 989 303.21 BGN

An investment project to modernise a buffalo dairy farm through the introduction of new processes and equipment.

Murra 2002 Ltd is a buffalo farm located in the village of Lozenets, Straldzha municipality, Yambol district. It owns a total of 606 buffaloes of the Murrah breed and produces its own animal feed. The farm needed to build a new barn for the animals. It also needed to expand and renovate an existing barn with capacity for 240 buffaloes.

The project financed the reconstruction and expansion of the old buffalo barn, and the construction of the new barn. It also financed the acquisition and installation of zoological equipment for the 2 barns. A new combine harvester was also purchased to improve the

---

<sup>44</sup> [https://enrd.ec.europa.eu/projects-practice/modernisation-buffalo-farm-bulgaria\\_en](https://enrd.ec.europa.eu/projects-practice/modernisation-buffalo-farm-bulgaria_en)

production of forage crops, along with specialised farm equipment with lower fuel consumption to improve the quality and efficiency of the farm's operations.

### *Project results*

Results expected to be achieved include:

- enabling the farm to become cost-effective and competitive in buffalo milk production
- ensuring the farm's compliance with EU standards on work safety, hygiene and animal welfare
- achieving high product quality in accordance with the standards of the Community Regulation (EC) № 853/2004 on plant protection products
- ensure compliance with the EU Nitrates Directive (91/676 / EEC) on the protection of waters against pollution caused by nitrates from agricultural sources
- lowering the cost of veterinary interventions due to improved hygiene conditions for the buffalos
- improving working conditions and reducing the cost per production unit

## **Improving the production capacity of wafer manufacturer<sup>45</sup>**

### *Project summary*

Operational Programme "Innovations and Competitiveness", Priority axis 2: Entrepreneurship and Capacity for Growth of SMEs, Investment priority 2.2: Capacity for SMEs to grow

Total budget: 950 287 BGN, ERDF funding: 484 646,37 BGN, National co-financing: 85 525,83 BGN

The main aim of the project is to increase the competitiveness and strengthen the export potential of „Day and Night“, a manufacturer of wafers and biscuits. The four specific aims of the project are:

1. Improving the production capacity;
2. Improving the production processes;
3. Decrease the production costs;
4. Improving the quality of the company's products.

The project foresees the purchase and entry into operation of highly-technological confectionary equipment.

## **Improving the production capacity of confectionary manufacturer<sup>46</sup>**

---

<sup>45</sup> <http://dayandnightwafers.com/bg/news/view/proekt-bg16-rfop002-2-040-1074-podobrqvane-na-proizvodstveniq-kapacitet-na-den-i-nosht-ood>

<sup>46</sup> <http://hettrik.bg/%d0%bf%d0%be%d0%b4%d0%be%d0%b1%d1%80%d1%8f%d0%b2%d0%b0%d0%bd%d0%b5-%d0%bd%d0%b0->



### *Project summary*

Operational Programme “Innovations and Competitiveness”, Priority axis 2: Entrepreneurship and Capacity for Growth of SMEs, Investment priority 2.2: Capacity for SMEs to grow

Total budget: 164 975.48 BGN, ERDF funding: 98 160.40 BGN, National co-financing: 17 322.44 BGN

“Hettrik”, a company producing traditional Bulgarian confectionary such as halva, delight, fruit jelly slices and tahini, plans to purchase machines and equipment in order to increase its production capacity and to modernize its production processes.

### **Improving the production capacity of pasta manufacturer**

#### *Project summary*

Operational Programme “Innovations and Competitiveness”, Priority axis 2: Entrepreneurship and Capacity for Growth of SMEs, Investment priority 2.2: Capacity for SMEs to grow

Total budget: 157 280 BGN, ERDF funding and national co-financing: 110 096

“Kramas”, a company producing homemade noodles and macaroni as well as gluten-free and bio pasta, plans to improve its production capacity through the purchase of equipment.

## **1.3. Useful links**

### EU sources:

EU Food Fraud Network - [https://ec.europa.eu/food/safety/food-fraud/ffn\\_en](https://ec.europa.eu/food/safety/food-fraud/ffn_en)

European Food Safety Authority - <http://www.efsa.europa.eu/>

European Network for Rural Development - <https://enrd.ec.europa.eu/>

Health and Food Audits and Analysis - [https://ec.europa.eu/food/audits\\_analysis\\_en](https://ec.europa.eu/food/audits_analysis_en)

Knowledge Centre for Food Fraud and Quality - [https://ec.europa.eu/knowledge4policy/food-fraud/about\\_en](https://ec.europa.eu/knowledge4policy/food-fraud/about_en)

Operation Opson - <https://www.europol.europa.eu/activities-services/europol-in-action/operations/operation-opson>

RASFF Portal - <https://webgate.ec.europa.eu/rasff-window/portal/?event=searchForm&cleanSearch=1>

### Bulgarian sources:

Bulgarian Food Safety Agency - <http://www.babh.government.bg/en/>

Ministry of Agriculture, Food and Forestry - <https://www.mzh.government.bg/en/>

Operational Programme „Innovations and Competitiveness“ - <http://en.opic.bg/>

Risk Assessment Center on Food Chain - <http://corhv.government.bg/?lang=en>

