

procedures. Schemes could be drawn up for verification of funds, preparing the request for funds, conducting on-site checks, etc. Improving the management of water projects could be achieved by increasing awareness within the project team and creating a culture of thinking about the environment and people. The project management process in the water sector will be positively influenced by the participation of the project team in trainings for improvement the project management skills during the application and implementation phase of water projects. Specific programs could be encouraged and undertaken that will support beneficiaries to increase their qualifications on cost-benefit analysis, legislation in the water sector, implementation of the Public Procurement Act, preparation of infrastructure projects for application for grants.

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MODERNIZATION OF AGRICULTURAL HOLDINGS IN BULGARIA

The Bulgarian agrarian sector and its development are of great importance for the country. Through technical and technological upgrading, it can lead to increased labor productivity in the agrarian sector, its efficiency and the competitiveness of farms. Analyzes of the number and age of registered machines (over 90% of the machines are over 10 years old) and of the building fund show the necessity of investments for their renovation and modernization. Data from recent years indicate a renewed trend for machine-tractor fleet renewal and an increase in the percentage of new tractors, combine harvesters and other types of machinery. The necessity of modernization of the agricultural holdings in order to

increase their competitiveness is the basis of a number of scientific papers by Bulgarian researchers (Vidinova, 2016, Bashev, 2012, Koteva, 2004).

The purpose of the paper is to analyze the opportunities of a Rural Development Program for the renovation and modernization of agricultural farms in Bulgaria. According to the set up aims of the article the obtained methodology is divided into several parts. Each part contributes and collaborates with the main findings and conclusions. The first part presents the opportunities for agricultural holdings to receive support through measure 121 "Modernization of agricultural holdings". Second part is based on statistical data related to implementation of the studied agricultural measurement. The analysis is based on national statistical data and own calculations and interpretations.

The main EU policy for agriculture is the Common Agriculture Policy (CAP) which includes two main pillars, the direct payments and the Rural Development Program (RDP). RDP is implemented through a set of specific measures.

During the first programming period of the RDP 2007-2013, Bulgarian farmers had the opportunity to modernize their farms by applying for funding under Measure 121 "Modernization of agricultural holdings". The objective of investment aid is to modernize farms, improve their economic efficiency through better use of production factors including the introduction of new technologies and innovations, planned quality, organic products and diversification into or out of farms, including non-food sectors and energy cultures, as well as improving the environment, safety at work, hygiene and animal welfare on farms. Assistance under the measure is granted for investments in tangible or intangible assets that improve the overall performance of the farm.

According to data from the MAF, Agrostistics Department (Agricultural Report, 2016), the measure is subject to significant interest on the part of the potential beneficiaries from the very beginning of implementation of the RDP. In 2015 a subsidy with a budget of 97 790 thousand BGN (1€ = 1.95 BGN) was set for investments for the purchase of agricultural machinery. Subsequently, the budget was increased by an additional resource of 23 469 thousand BGN. The applications for assistance received have been processed by November 2015 and financial assistance contracts have been signed by the end of the year and payment applications have been submitted. The successful reception of project proposals has a positive effect on the implementation of the RDP 2007-2013 budget. For the entire period of implementation of the measure (2008-2015), 4 625 support contracts have been concluded with a value of public expenditure of 1 077 688 thousand BGN. By the end of 2015, public funds have been paid out to final beneficiaries in the amount of 1 008 497 thousand BGN, which makes BGN 233 014 per project.

According to the Annual Report of MAF, measure 121 has been opened in 2013 for acceptance with a budget of 92 315 thousand BGN. The highest number of agreements (50 agreements, with the amount of public funds 4 530 thousand BGN) have been concluded for realization of measures for restructuring of the dairy sector (81.2% of the agreements under EERP). 11 support agreements have been signed for water management, with the amount of public funds 694 thousand BGN. For investment for renewable energy sources, a total of 2 agreements have been concluded, with value of the public expenses: 354 thousand BGN. The analysis of the progress on achieving the goals on the basis of agreements concluded indicates that in case of completion of the agreements, a completion of up to 64% of the goal for supported holdings and 92% for realized investments could be achieved. The disproportion in percentages is due to a merger of the holdings, in comparison to the

planning period of RDP. The completion rate of the goal for number of holdings, which have introduced new products or technologies, is 36%. Measure 121 is applied very successfully in relation to investments in crop husbandry – they occupy 67% of the approved public expenses, and 75% of the amounts paid under projects. The projects of the animal breeding sector have a share of 27% of the approved public expenses, and 24% of the amounts paid under projects.

The most common errors in applying for measure 121 are as follows: there is a lack in projects sufficient justification for the capacity of the soil cultivation technique and harvesting, in relation to the quantity of production and the size of the land for which the business plan was developed; the submitted bids for buying assets do not contain detailed technical specifications and others.

In conclusion, it should be noted that there is an interest of farmers to modernize their farms. Highest interest of this maser is of farmer of a grain sector, and livestock breeding. Still are needed some adjustments and collaborations between farmers and policy makers for better cumulation of the measure. It is necessary to increase their awareness and to improve the level of qualification of the administrative staff so that in the next programming period of the RDP, the number of approved projects will be significantly higher.

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