

APPENDIX N

MISCELLANEOUS

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N-1 Organization Chart

Figure N-1-1 Organization Chart of the System for Usage and Distribution of Water and Irrigation Facilities in Bulgaria

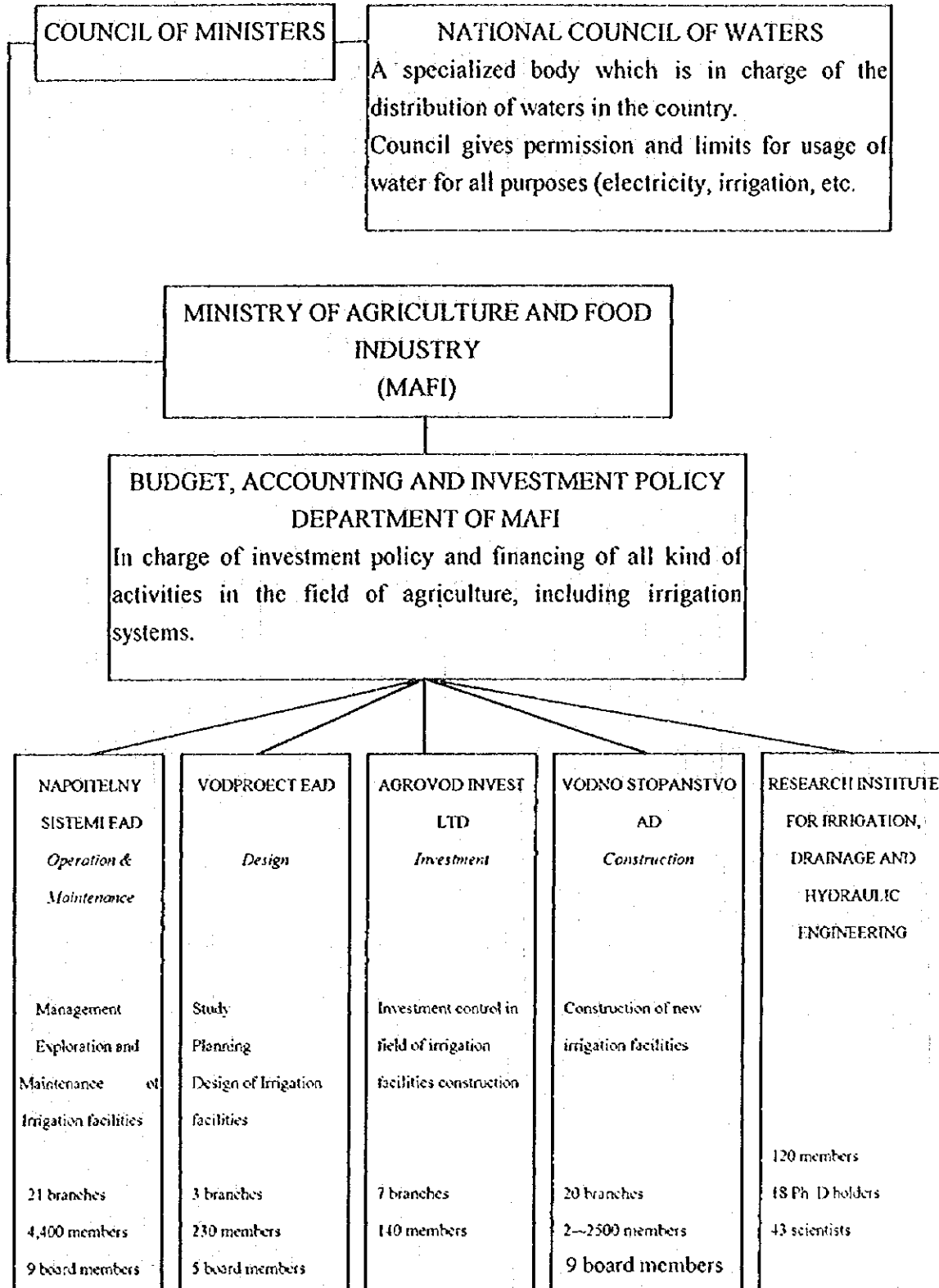


Figure N-1-2 Organization Chart of the Ministry of Agriculture and Food Industry (MAFI)

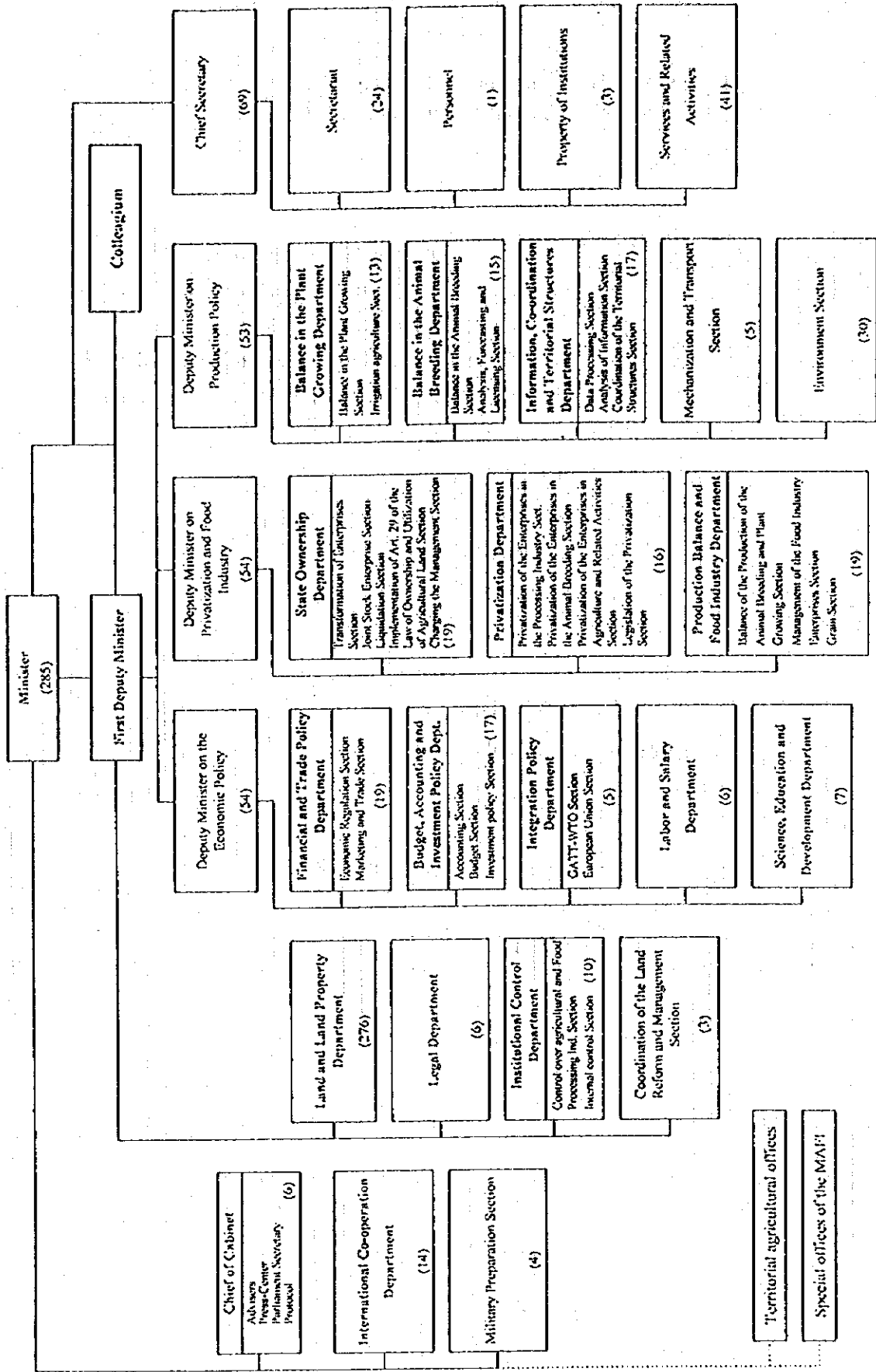
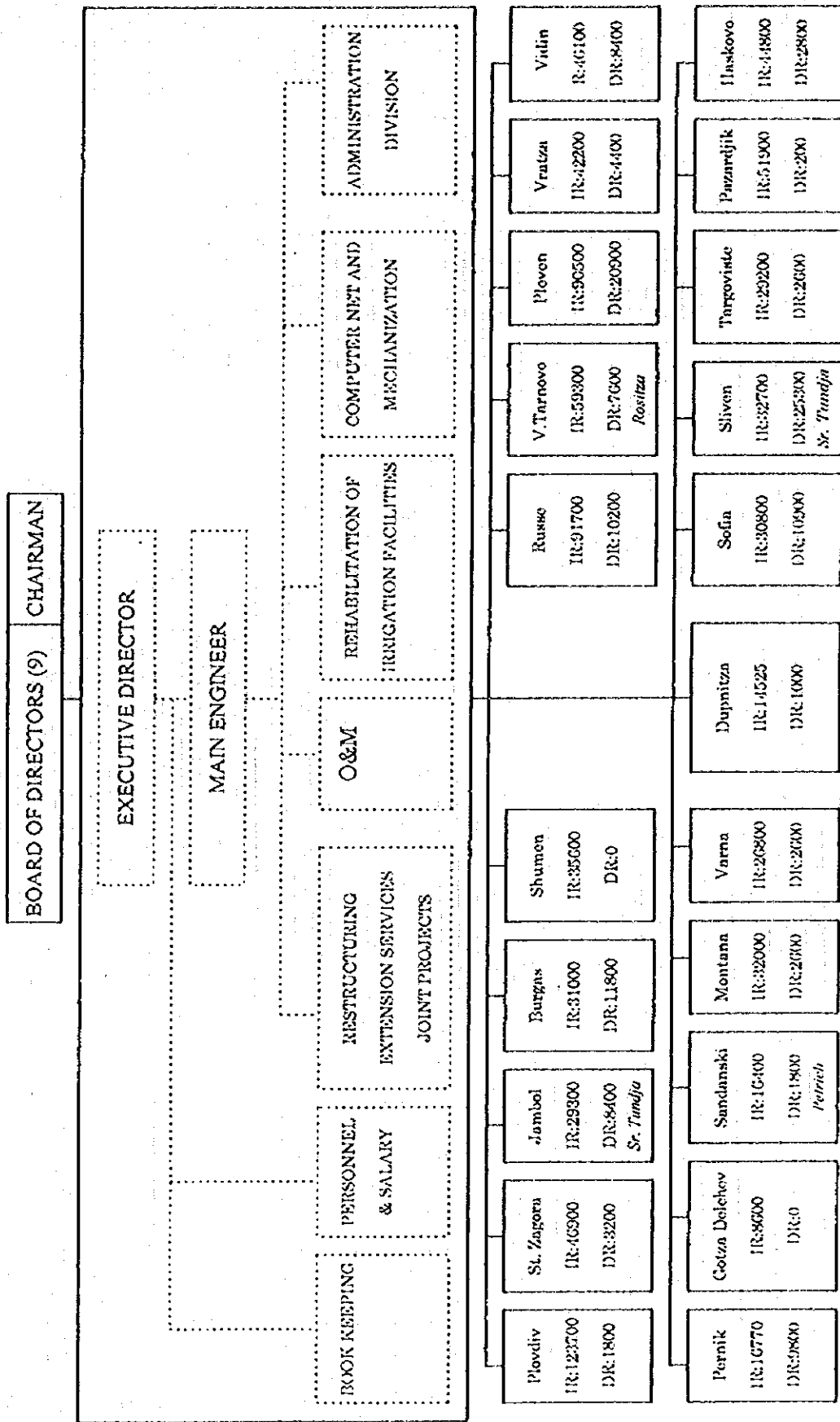
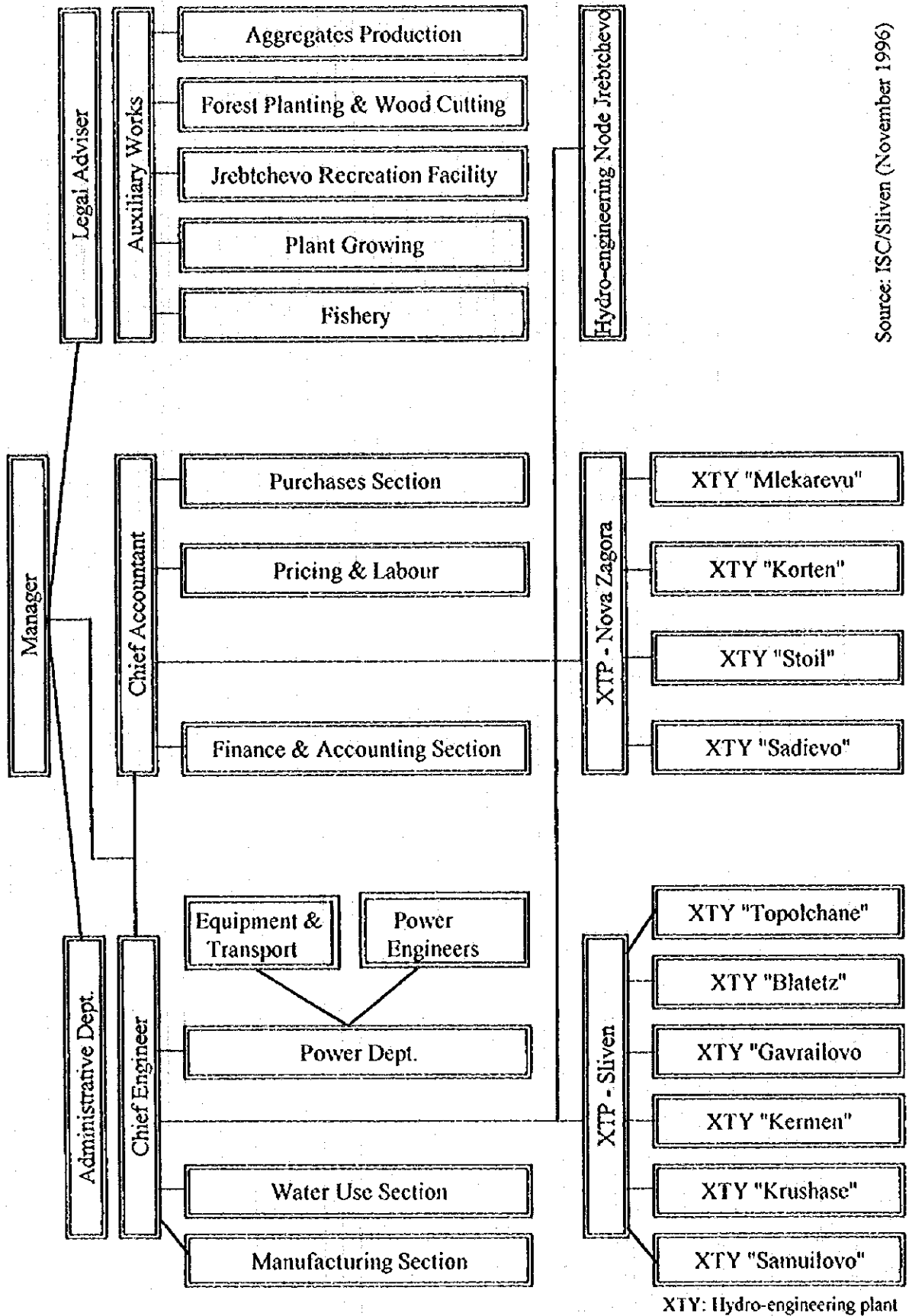


Figure N-1-3 Organization Chart of 'Napoiitelni Sistemi' EAD (Irrigation Systems Co.)



Existing Organization

Figure N-1-4 ISC - Sliven Branch



Source: ISC/Sliven (November 1996)

Figure N-1-5 Organization Chart of the Vodproect EAD

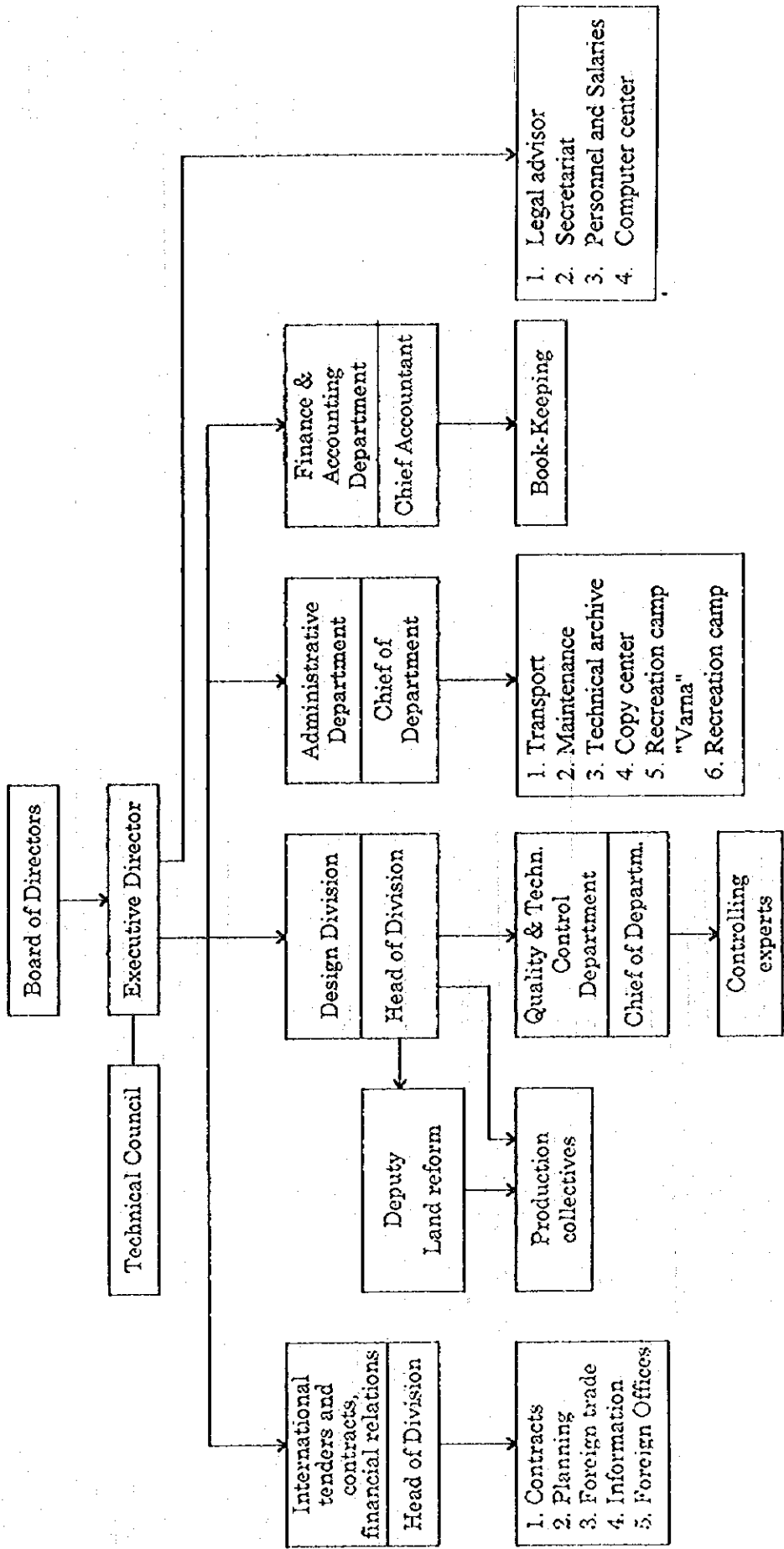
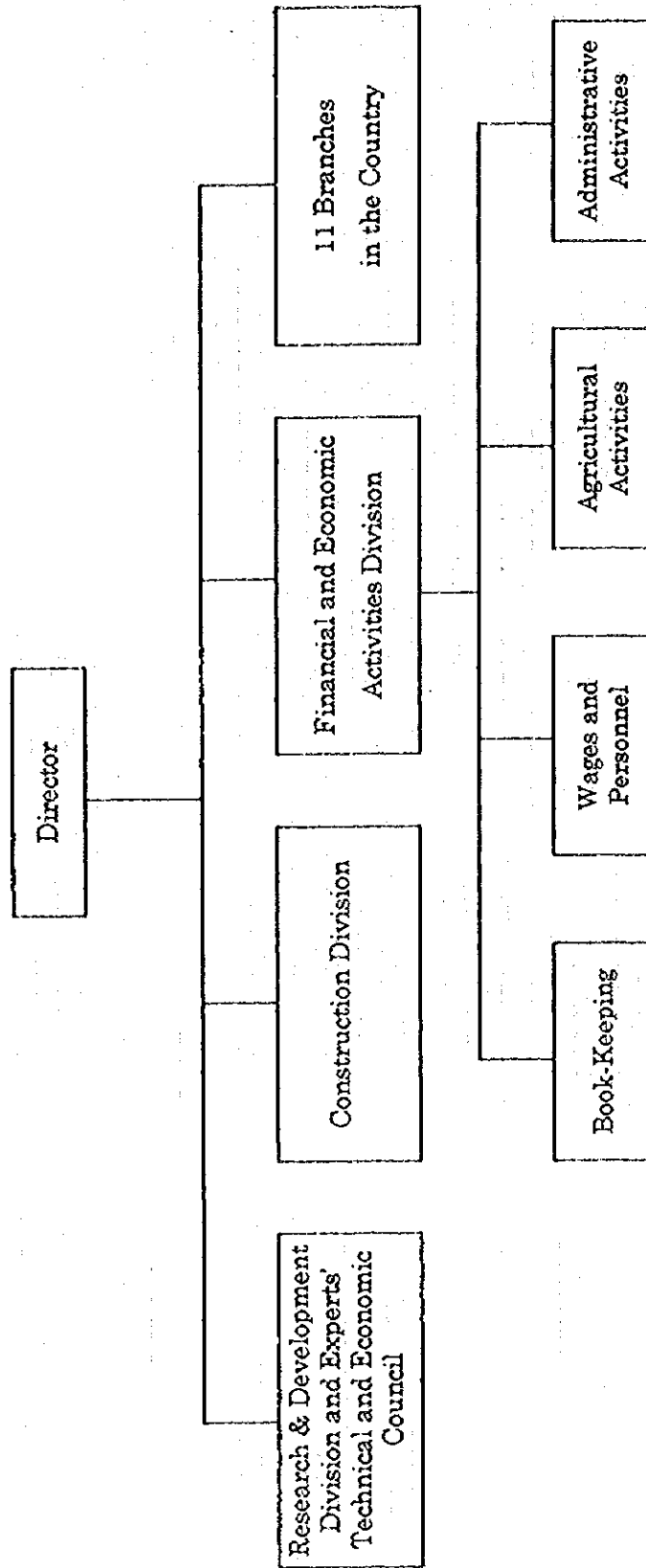


Figure N-1-6 Organization Chart of the Agroinvest State Company





**Figure N-1-7 Organization Chart of Vodno Stopanstvo, Public Limited Company**

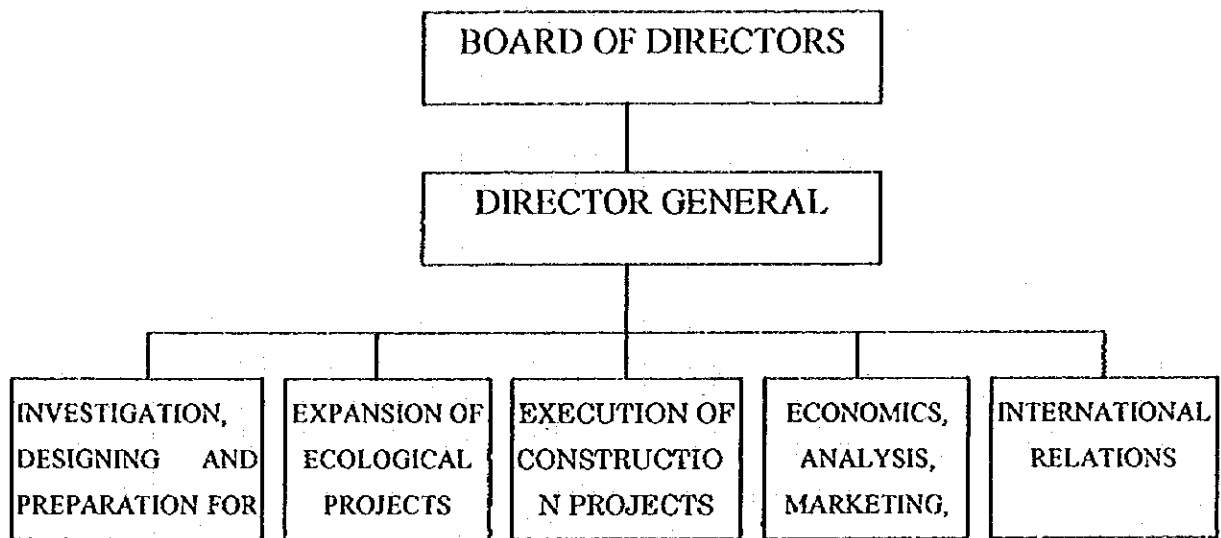


Figure N-1-8 Organization Chart of the Institute on Hydraulic Engineering and Melioration

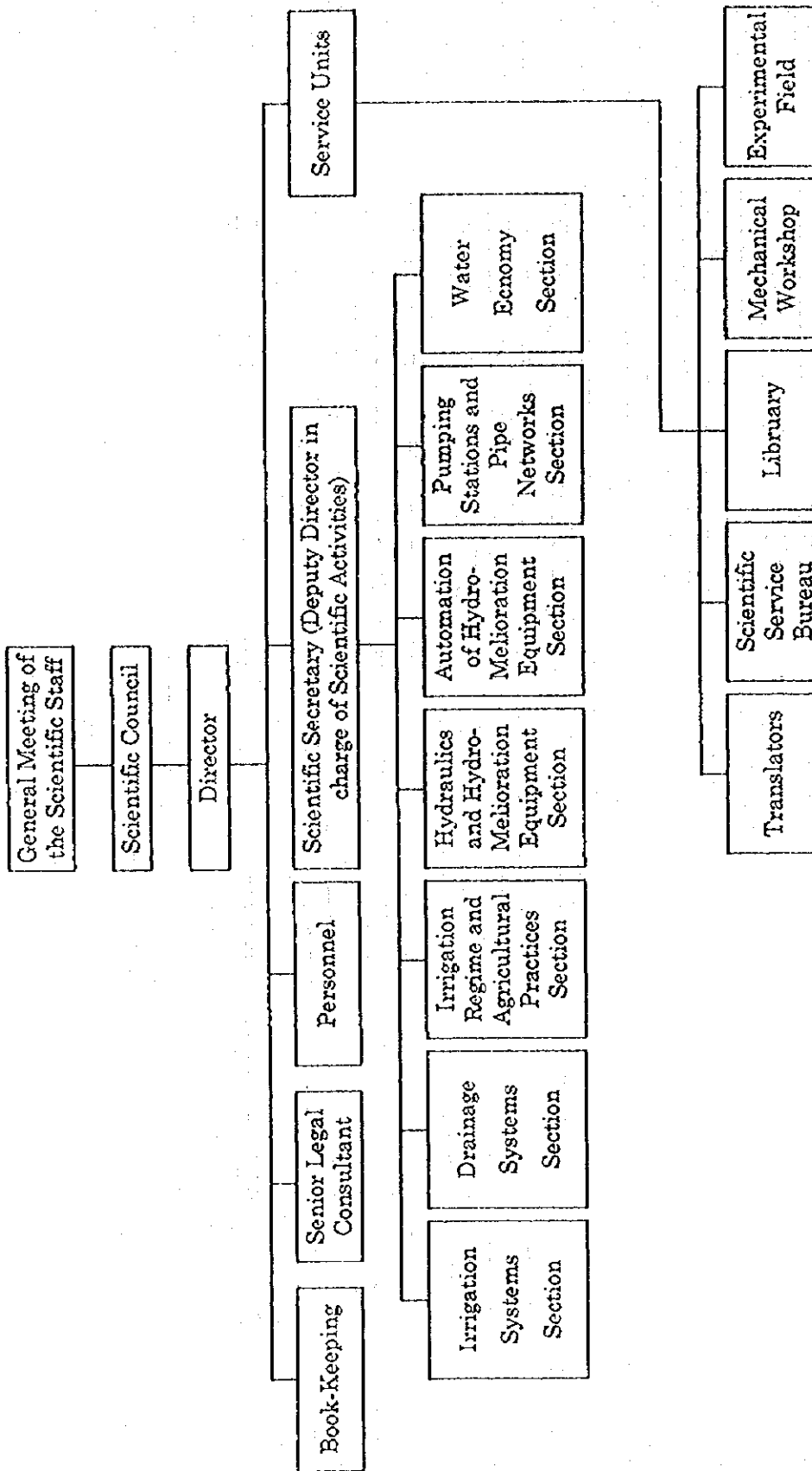
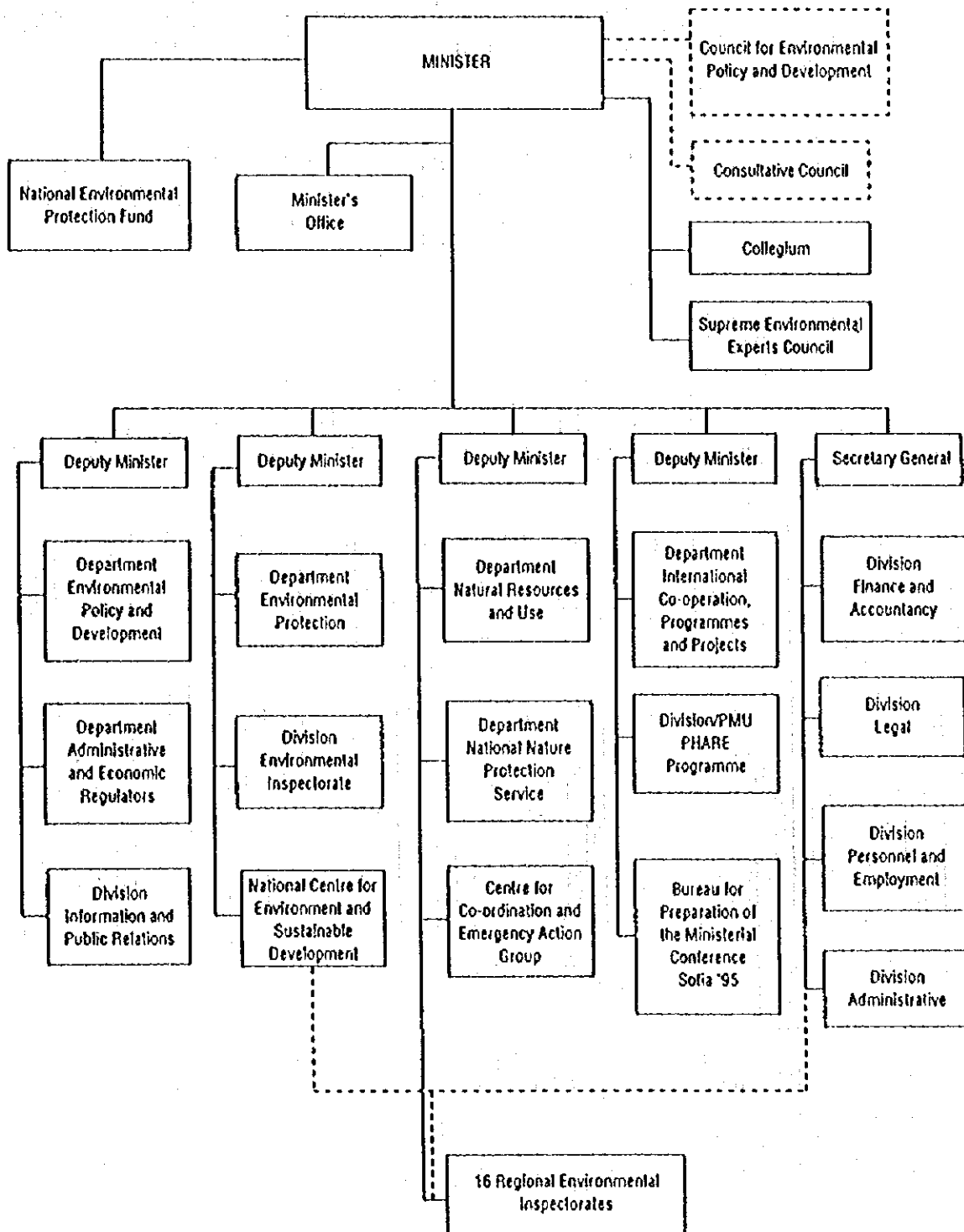


Figure N-1-9 Organization Chart of Ministry of Environment

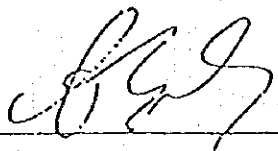


Source: Ministry of Environment.

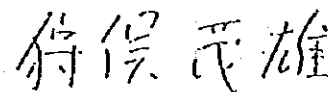
SCOPE OF WORK  
FOR  
THE FEASIBILITY STUDY ON THE PROJECT  
FOR  
AGRICULTURAL REFORM  
IN  
BULGARIA

AGREED UPON BETWEEN  
MINISTRY OF AGRICULTURE AND FOOD INDUSTRY  
REPUBLIC OF BULGARIA  
AND  
JAPAN INTERNATIONAL COOPERATION AGENCY

Sofia, January 16, 1996



Dr. Maria Lazarova  
Deputy Minister  
Ministry of Agriculture  
and Food Industry



Mr. Shigeo Karimata  
Leader  
Preparatory Study Team  
Japan International Cooperation  
Agency

## I. Introduction

In response to the request of the Government of the Republic of Bulgaria (hereinafter referred to as "Bulgaria"), the Government of Japan decided to conduct the Feasibility Study on the Project for Agricultural Reform in Bulgaria (hereinafter referred to as "the Study") in accordance with the relevant laws and regulation in force in Japan.

Accordingly, the Japan International Cooperation Agency (hereinafter referred to as "JICA"), the official agency responsible for the implementation of technical cooperation programs of the Government of Japan, will undertake the Study in close cooperation with the authorities concerned of the Government of Bulgaria.

Ministry of Agriculture and Food Industry (hereinafter referred to as "MAFI") is the implementing agency of the Study in cooperation with the Irrigation Systems Company.

The present document sets forth the scope of work with regard to the Study.

## II. Objectives of the Study

The objectives of the Study are:

1. To formulate the agricultural development plan in the selected area to be adapted to the market-oriented economy in order to support the restoration of Bulgarian agriculture.
2. To transfer relevant technologies to Bulgarian counterpart personnel in the course of the Study.

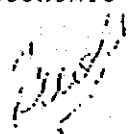

## III. Study area

The Study shall cover three areas located in Petrich, Rositza and Sredna Tunja, approximately 11,000ha, 50,700 ha and 97,000 ha respectively.

## IV. Scope of the Study

To achieve the objectives mentioned above, the Study shall cover the following items:

1. Review and Analysis of Economic and Agricultural Reform Situation/



Issues in Bulgaria

1) Economic reform policy, strategy and development plan

- 1) Retrenchment policy
- 2) Subsidy elimination policy
- 3) Restoration of property rights
- 4) Liberalization of prices and trade

(2) Agricultural reform situation

- 1) Land reform
- 2) Liquidation of collective farms
- 3) Privatization of agribusiness

(3) Situation of Agriculture

- 1) Production
- 2) Marketing
- 3) Melioration

(4) other donors' economic/technical assistance in Agricultural sector

2. Analysis and Evaluation of Agriculture in the Study area

(1) Socio-economic situation;

(2) Agricultural characteristic; and

(3) Agricultural reform's impacts on the Study area

3. Formulation and evaluation of agricultural development scenarios in the Study area, and identification of one area as a pilot project

(1) Formulation of development scenarios

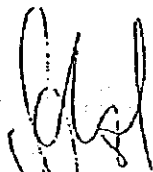
The scenarios may include the following items

- a. Legal and regulatory framework necessary for promotion of Agricultural reform
- b. Role and responsibilities of Central and Local government

(2) Evaluation of development scenarios

(3) Identification of one of the areas as a pilot project

4. Formulation and evaluation of agricultural development plan as a



suitable scale pilot project (hereinafter referred to as "the Project") in the selected area of the Study area.

(1) Agricultural production, marketing and processing issues including infrastructure

- a. Land use plan
- b. Farm management
- c. Agricultural credit
- d. Agricultural machinery
- e. Processing
- f. Marketing
- g. Extension and Training
- h. Irrigation
- i. Agricultural infrastructure

(2) Institutional development

- a. Farmers' organization
- b. Relevant organization/agency including Water Users Unions/Associations

(3) Environment conservation

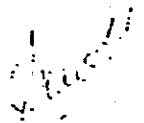
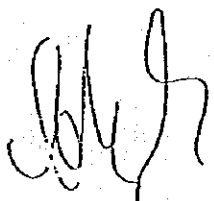
(4) Estimation of the Project cost and benefit

(5) Evaluation of the Project

- a. Technical, economic, financial and environmental evaluation of the Project
- b. Possibility of extending the Project's impact to other areas

(6) Implementation schedule of the Project

(7) Recommendation



## VI. Reports

JICA will prepare and submit the following reports in English to the Government of Bulgaria.

### 1. Inception Report

Twenty (20) copies at the commencement of the Study.

### 2. Progress Report (1)

Twenty (20) copies at the end of the first work in Bulgaria of the Study.

### 3. Interim Report

Twenty (20) copies at the commencement of the second work in Bulgaria of the Study.

### 4. Progress Report (2)

Twenty (20) copies at the end of the second work in Bulgaria of the Study.

### 5. Draft final Report

Twenty (20) copies at the end of the second work in Japan.

The Government of Bulgaria will provide its comments on the Draft Final Report to JICA within one (1) month after receiving the Draft Final Report.

### 6. Final Report

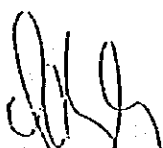
Fifty (50) copies within two (2) months after the receipt of comments on the Draft Final Report.

JICA shall also prepare the summaries in Bulgarian of the Interim Report, the Draft Final Report and the Final Report.

## VII. Undertakings of the Bulgarian side.

1. To facilitate smooth conduct of the Study, the Bulgarian side shall take necessary measures in accordance with laws and regulations in force in Bulgaria;

(1) to secure the safety of the Japanese study team;



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(2) to permit the members of the Japanese study team to enter, leave and sojourn in the Republic of Bulgaria for the duration of their assignment therein, and exempt them from foreign registration requirements and consular fees;

(3) to exempt the members of the Japanese study team from taxes, duties, fees and any other charges on equipment, machinery and other materials brought into and out of the Republic of Bulgaria for the conduct of the Study;

(4) to exempt the members of the Japanese study team from income tax and charges of any kind imposed on or in connection with any emoluments or allowances paid to the members of the Japanese study team for their services in connection with the implementation of the Study;

(5) to provide necessary facilities to the Japanese study team for remittance as well as utilization of the funds introduced into the Republic of Bulgaria from Japan in connection with the implementation of the Study;

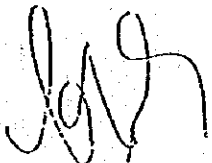
(6) to secure permission for entry into private properties or restricted areas for the implementation of the Study;

(7) to secure permission for the Japanese study team to take all data and documents including photographs and drawings related to the Study out of the Republic of Bulgaria to Japan, and

(8) to provide medical services as needed. Its expenses will be chargeable on members of the Japanese study team.

2. The Bulgarian side shall similarly bear claims, if any arise, against the members of the Japanese study team resulting from, occurring in the course of, or otherwise connected with the discharge of their duties in the implementation of the Study, except when such claims arise from gross negligence or willful misconduct on the part of the members of the Japanese study team.

3. MAFI shall act as a counterpart agency to the Japanese Study team and also as a coordinating body in relation with other governmental and



non-governmental organizations concerned for the smooth implementation of the Study.

4. MAFI shall, at its own expense, to provide the Japanese study team with the followings, in cooperation with other organizations concerned:

(1) Data and information available with MAFI related to the Study;

(2) Counterpart personnel;

(3) Suitable office space with necessary equipment and furniture in Sofia and project sites;

(4) Credentials or identification cards.

#### VIII. Undertakings of JICA

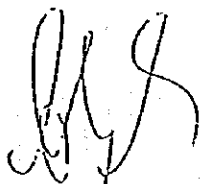
For the implementation of the Study, JICA shall take the following measures;

(1) to dispatch, at its own expense, the study team to the Republic of Bulgaria.

(2) to pursue technology transfer to the Bulgarian counterpart personnel in the course of the Study.

#### IX. Others

JICA and MAFI shall consult with each other in respect of any matter that may arise from or in connection with the Study.



N-3 Minutes of Meeting

N-3-1 Minutes of Meeting for Inception Report

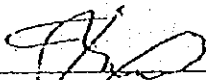
Minutes of Meeting  
For  
Inception Report on  
The Study on

The Project for Agricultural Reform in Bulgaria

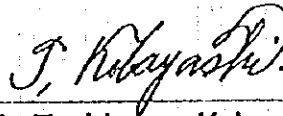
Agreed Upon Between

Ministry of Agriculture and Food Industry, Bulgaria  
and  
Japan International Cooperation Agency

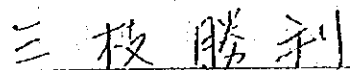
14 June 1996



Georgi Spiridonov, Chief  
Crop Production Division  
Ministry of Agriculture & Food Industry



Mr. Toshimasa Kobayashi  
Team Leader  
JICA Study Team



Mr. Katsutoshi Saegusa  
Project Advisory Committee  
JICA

## Meeting Minutes

I. In accordance with the Scope of Work for the Study on the Project for Agricultural Reform in Bulgaria (herein referred to as the Study) agreed upon between Japan International Cooperation Agency (JICA) and the Ministry of Agriculture and Food Industry (MAFI), the JICA Study Team submitted 20 copies of the Inception Report on 12 June 1996 to the MAFI Working Group. The Working Group, as ordered in MAFI Order No. 1-507, is defined as the counterpart for the JICA Study Team.

II. Meetings to review the Inception Report were held in MAFI offices on 12, 13, and 14 June. The attendants of the meeting are listed in the attached. The meeting was lead by Mr. Georgi Spiridonov, Chairman of the MAFI Study Working Group. Members of the JICA Study Team, lead by Mr. T. Kobayashi, explained the contents of the report, and the MAFI Working Group accepted the Inception Report as written.

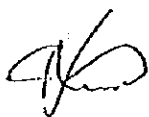
III. English language versions of the Inception Report and these Minutes of Meeting are adopted as the official working documents.

IV. The following points were reviewed in the course of the discussion on 13 June, and consensus was made between the MAFI Working Group and the Study Team.

A. The Japanese side submitted a request to MAFI to provide the Study Team with an office in the MAFI building. The Working Group promised to investigate the possibility of the provision of this office for the Study Team. The Working Group will also arrange to issue passes for the Study Team to facilitate routine entry and exit from the MAFI offices.

B. The Bulgarian side offered comments on the Inception Report, and the Japanese side agreed to consider the comments as the Team begins the field assignment. Summary of the key issues raised by the Bulgarian side and discussed with the Study Team includes:

1. The definition of hectares for the three targeted regions was clarified to mean the potential irrigation system areas, not a definition of the regions by municipal or administrative boundaries.
2. Description of 3 issues or categories of agricultural management in the Inception Report were recognized as only an initial method of describing Bulgarian agriculture. The members agreed that definition by export-oriented production and domestic market-production and a distinction grain and vegetable production will be a better means of defining basic categories.
3. Description of marketing systems, and study of distribution networks, will include both domestic and export marketing issues within scope of the study.



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4. Organizational issues will include cooperative and associations as part of the study.
5. Among the criteria for selection of the pilot area, the issue of development potential is of the utmost importance. Land reform and land restitution may not be the most important issues since land reform is an evolving process, and significant changes are anticipated over the next 1-2 years.
6. Procedures for the selection of the pilot area will require further definition, and the process of narrowing the focus to an area less than 30,000 ha will require further description and discussion.
7. Livestock production is an important issue, and a systems approach to analyzing the agricultural sector is encouraged. The Study Team confirmed the importance of livestock production, and will address the issue in the field work with particular emphasis on feed and fodder production from an agricultural crop production and marketing perspective. Detailed review of meat processing, marketing and distribution will not be possible within the established Scope of the project as agreed by both Governments in the S/W.
8. Study and research of marketing issues will include not only the EC/PHARE and EBRD activities, but also the activities of other international donors and private investors.
9. Study objectives as written are vague and require further definition to ensure a successful project. The S/W defines the Objectives and these objectives are agreed. Objective (1) now requires further definition including contents of major reports submitted, and clarification of the outputs of the overall study. Further definition will ensure development of concrete recommendations. Objective (2) requires further clarification and an operational plan to understand the activities covered under technology transfer and training.
10. As discussed with the S/W mission, participation of Bulgarian experts as part of the Study Team is encouraged, similar to the activities of other international donors. Such participation will be efficient, and facilitate local understanding.
11. Plans for a seminar or series of seminars at the regional level, and/or a project campaign for the pilot project area will be discussed in more detail as the study progresses. In principal, this activity may encourage participation of local residents in the development process, though care will be taken to not raise expectations to an unrealistic level.

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## Appendix

### Meeting Participants for Review of Inception Report

#### MAFI Working Group:

Mr. Georgi Spiridonov, Chief - Plant Production Division, MAFI  
Ms. Monika Kubratova, Head - Finance and Trade Policy Division, MAFI  
Ms. Anna Yakimova, Expert - Information Division, MAFI  
Ms. Liliana Karafisieva, Executive Director - Irrigation Systems Inc.  
Mr. Valentin Slavov, Senior Expert - Irrigation Systems Inc.  
Mr. Orlin Iliev, Expert - International Cooperation Division, MAFI

#### Other Key Participants:

Mr. Plamen Mishiev, Head of Unit - Policy and Advisory Unit, MAFI  
Mr. Nikola Mihaylov, Head of Department - International Cooperation Division, MAFI

#### JICA Advisory Committee:

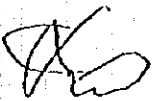
Mr. Katsutoshi Saegusa, Project Advisory Committee, JICA  
Mr. K. Jin, Training Affairs Department, Third Training Division, JICA

#### Embassy of Japan in Bulgaria:

Mr. M. Sato, First Secretary - Embassy of Japan / Bulgaria

#### JICA Study Team Present:

Mr. T. Kobayashi, Study Team Leader  
Mr. N. Asano, Macroeconomics Expert  
Mr. M. Elledge, Institutions / Organizations Expert  
Mr. T. Katardjiev, Rural Sociology



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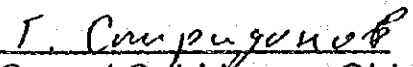
**Minutes of Meeting  
For  
Progress Report (I) on  
The Study on**


**JICA/MAFI Project for Agricultural Reform in Bulgaria**

**Agreed Upon Between**

**Ministry of Agriculture and Food Industry, Bulgaria  
and  
Japan International Cooperation Agency**

**23 August 1996**

  
Georgi Spiridonov, Chief  
Crop Production Division  
Ministry of Agriculture & Food Industry

  
Toshimasa Kobayashi  
Team Leader  
JICA Study Team

# JICA/MAFI Project for Agricultural Reform

## Meeting with the Working Group, MAFI

(Friday the 23rd August, 1996)

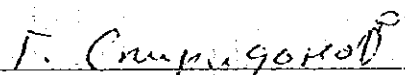
### Items discussed

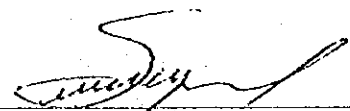
- Item 1.* Mr Spiridonov thanked the team for their work and the Progress Report (I)
- Item 2.* Mr Kobayashi reviewed Chapter 4-3, a comparison of the 3 study areas, in terms of their suitability for agricultural production, the type and condition of their infrastructure, the progress of land restitution in the area, the availability of water, the farming systems in each area, etc.
- Item 3.* Mr Kobayashi indicated that although the final selection of the site for the pilot project was contingent on further analysis in Japan, the high potential areas at this time appeared to be:
- Rositza - The Main Left Nikyupsky canal
  - Sredna Tunja - Binkos Marash  
- Nova Zagora
- Item 4.* The Working Group agreed that these were the high potential areas.
- Item 5.* The Working Group stressed the importance of the attitude of the producers in the selected pilot area towards a project, especially their willingness to assume operations and maintenance costs.
- Item 6.* The Working Group agreed to make the final selection when they had received the results of the further analysis, and looked forward to receiving the Interim Report.
- Item 7.* The Working Group said that MAFI could only guarantee MAFI & ISC statistics and pointed out the importance of ensuring that the team was using the best available data, as the conclusions depend on the data.
- Item 8.* Mr Spiridonov officially accepted twenty (20) copies of the Progress Report (I) on behalf of the Working Group.
- Item 9.* The meeting ended with expressions of mutual gratitude, with both parties looking forward to continuing their collaborative work in November, and the Study Team hoped that MAFI would be able to provide office space for them during Phase II.

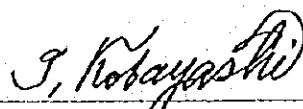


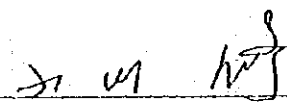
**Minutes of Meeting**  
**For**  
**Interim Report on**  
**The Feasibility Study on**  
**The Project for Agricultural Reform in Bulgaria**  
**Agreed Upon Between**  
**Ministry of Agriculture and Food Industry, Bulgaria**  
**and**  
**Japan International Cooperation Agency**

7 November 1996

  
Mr. Georgi Spiridonov, Chairman  
MAFI Working Group  
Ministry of Agriculture & Food Industry

  
Mr. Emil Betzinsky, Head  
International Cooperation Department  
Ministry of Agriculture & Food Industry

  
Mr. Toshimasa Kobayashi  
Team Leader  
JICA Study Team

  
Mr. Osamu Koyama, Chief  
Project Advisory Committee  
JICA

  
Mr. Noboru Saito, Director  
Planning Division, Agriculture, Forestry  
and Fisheries Development Study  
Department, JICA

## Meeting Minutes

I. In accordance with the Scope of Work for the Feasibility Study on the Project for Agricultural Reform in Bulgaria (herein referred to as the Study) agreed upon between Japan International Cooperation Agency (JICA) and the Ministry of Agriculture and Food Industry of Bulgaria (MAFI), the JICA Study Team submitted 20 copies of the Interim Report on 4 November, 1996 to representatives of the MAFI Working Group. The Working Group, as ordered in MAFI Order No. 1-507, is defined as the counterpart for the JICA Study Team.

II. The meetings to review the Interim Report were held in MAFI offices on 4 & 5 November. The attendants of the meeting on 5 November are listed on the attached sheet. This meeting was opened by Mr. Dimo Uznov, First Deputy Minister, MAFI, and addressed by Mr. Emil Betzinsky, Head of the International Cooperation Department, MAFI, Mr. Osamu Koyama, Chief, Project Advisory Committee, JICA and Mr. Noboru Saito, Director Planning Division, Agriculture, Forestry and Fisheries Development Study Department, JICA. The MAFI Study Working Group, lead by Mr. Georgi Spiridonov, and the JICA Study Team, lead by Mr. T. Kobayashi, discussed the contents of the report, and the MAFI Working Group accepted the Interim Report as written.

III. The following points were discussed in the course of the meeting on 5 November, 1996. Both the Bulgarian and Japanese sides were complimentary of the cooperation and assistance rendered to each side during the Phase I study, and hopes for the continuance of this collaboration were widely expressed as the Study Team begins Phase II.

A. The JICA Study Team Leader provided an overview of the Phase I study process. The Study Team Leader highlighted the selection criteria applied for identifying the one pilot area. The Bulgarian side agreed with the process and the results of Phase I. The Bulgarian Working Group offered comments on the Interim Report, and the Japanese side clarified the technical points raised by the Bulgarian side. Key issues raised by the Bulgarian side and discussed with the Study Team include:

1. Selection of the pilot area was carried out in accordance with the criteria given in the interim report. Nomination of Nova Zagora M3 Canal Block as the pilot area was confirmed as an appropriate selection, and both sides expressed interest in proceeding with further study of this pilot area in Phase II.
2. Further review of the legislative environment now in place in Bulgaria was encouraged as work proceeds into Phase II. Special attention was suggested for the "Law on the Protection of Agricultural Producers", the "Cooperatives Act", and the "Land Lease Act". Detailed review of these laws was not required in the Phase I Study, though further consideration of the prevailing legal framework will

be important in preparing components of the pilot project in Phase II.

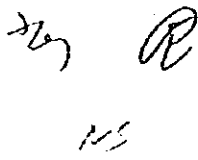
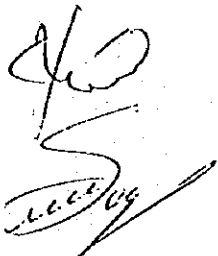
3. The Interim Report was noted as being comprehensive and the Report offers insight in study methodology for the Bulgarian Working Group.

B. The Japanese side commented that the Phase II study would have to cover a wide range of topics linked to agricultural reform, such as water user associations, agricultural support services, cooperatives, credit, farm management, marketing, food industry privatization and irrigation. The Bulgarian side agreed. Both sides confirmed a willingness to work closely together in Phase II to address these issues in planning for a pilot project.

C. The Japanese side provided an overview of the Phase II schedule. The JICA Study Team will begin field work immediately and conclude on 14 December. A meeting of the MAFI Working Group and the JICA Study Team to review the Progress Report (2) was suggested on or about 10 December. Draft Final Report preparation will begin in Japan in mid-December and continue during the month of January. Presentation and explanation of the Draft Final Report will be made in Bulgaria during early March 1997. The Final Report will be completed in April.

D. The Japanese side submitted a request to MAFI to provide staff to facilitate a close working relationship during the field work. MAFI confirmed that their Working Group seeks close collaboration, and will ensure MAFI staff and ISC staff are available to work with the JICA Team. The Japanese side again suggested the need to provide the Study Team with an office in the MAFI building. The Chairman of the Working Group noted their past best efforts and promised to further investigate the possibility of the provision of office space for the Study Team.

E. In closing the meeting to review the Interim Report, both the Bulgarian and Japanese sides expressed satisfaction for the past collaboration in this Study process, and confirmed a commitment to expanded cooperation in the coming months.



## Appendix

### Meeting Participants for Review of Interim Report

#### MAFI:

Mr. Dimo Uznov, First Deputy Minister, MAFI

Mr. Emil Betzinsky, Head - International Cooperation Department, MAFI

#### MAFI Working Group:

Mr. Georgi Spiridonov, Chairman, MAFI Working Group  
& Chief - Plant Production Division, MAFI

Mr. Kalin Andreev, Expert on Irrigation - Plant Production Division, MAFI

Ms. Miroslava Gueorguieva, Head of Division - Finance & Trade Policy Dept., MAFI

Mr. Orin Iliev, Expert - International Cooperation Department, MAFI

Mr. Valentin Slavov, Senior Expert - Irrigation Systems, Ltd.

Mr. Radoslav Stephanov Balev, Expert - Irrigation Systems Ltd.

#### JICA Advisory Committee:

Mr. Osamu Koyama, Chief - Project Advisory Committee, JICA

Mr. Noboru Saito, Director - Planning Division, Agriculture, Forestry and Fisheries  
Development Study Department, JICA

#### Embassy of Japan in Bulgaria:

Mr. Masatoshi Sato, First Secretary - Embassy of Japan / Bulgaria

#### JICA Study Team Present:

Mr. Toshimasa Kobayashi, Study Team Leader

Mr. Nobuhisa Asano, Expert on Macroeconomics

Mr. Yoshihiro Uchida, Expert on Agricultural Management & Credit

Mr. Myles F. Elledge, Expert on Organizations & Institutions

Mr. Jonathan Greenham, Expert on Agronomy

Mr. Hiroshi Kondo, Expert on Agricultural Infrastructure

Mr. Tihomir H. Katardjiev, Expert on Rural Sociology

Mr. Seiji Miyamoto, Expert on Design & Cost Estimation

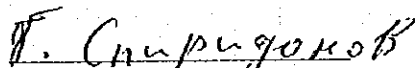
**Minutes of Meeting  
For  
Progress Report II on  
The Feasibility Study on**

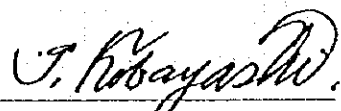
**The Project for Agricultural Reform in Bulgaria**

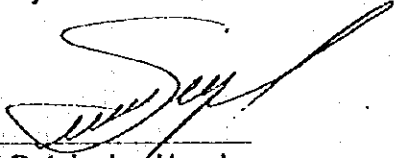
**Agreed Upon Between**

**Ministry of Agriculture and Food Industry, Bulgaria  
and  
Japan International Cooperation Agency**

**13 December 1996**

  
Mr. Georgi Spiridonov, Chairman  
MAFI Working Group &  
Chief - Plant Production Division, MAFI  
Ministry of Agriculture & Food Industry

  
Mr. Toshimasa Kobayashi  
Team Leader  
JICA Study Team

  
Mr. Emil Belzinsky, Head  
International Cooperation Department  
Ministry of Agriculture & Food Industry

## Meeting Minutes

I. In accordance with the Scope of Work for the Feasibility Study on the Project for Agricultural Reform in Bulgaria (herein referred to as the Study) agreed upon between Japan International Cooperation Agency (JICA) and the Ministry of Agriculture and Food Industry (MAFI), the JICA Study Team submitted 20 copies of the Progress Report II on 10 December 1996 to representatives of the MAFI Working Group. The Working Group, as ordered in MAFI Order No. 1-507, is defined as the counterpart for the JICA Study Team.

II. The meetings to review the Progress Report II were held in MAFI offices on 10 & 11 December. The attendants of the meeting on 11 December are listed in the attached. The meeting was lead by Mr. Georgi Spiridonov, Chairman of the MAFI Study Working Group, and joined by Mr. Evgeni Kizilov, Member of Parliament from Nova Zagora, Mr. Emil Betzinsky, Head of the International Cooperation Department, MAFI. Members of the JICA Study Team, lead by Mr. T. Kobayashi, explained the summary contents and project components, and the MAFI Working Group accepted the Progress Report II as written.

III. English language versions of the Progress Report II and the Minutes of Meeting are adopted as the official working documents. A Bulgarian language translation of the English version of the "Summary" was distributed, and this Summary was the basis for discussion during the 11 December meeting.

IV. The following points were discussed in the course of the meeting on 11 December 1996. Both the Bulgarian and Japanese sides opened with expressions of gratitude for the cooperation and assistance rendered to each side during the Phase II field assignment, and expressed hope for fulfillment of the project.

A. The JICA Study Team Leader provided an overview of the Key Assumptions guiding the Study Team, and the proposed Project Components. The Bulgarian Working Group offered comments on the Project Components, and the Japanese side commented on the technical points raised by the Bulgarian side. Summary of the key issues raised by the Bulgarian side and discussed with the Study Team includes:

1. The Bulgarian side agreed and commented that irrigation improvements were noted as necessary but not sufficient conditions for agricultural growth and development. Other important topics have vital links to irrigated agricultural reforms, such as water user associations, agricultural support services, cooperatives, credit and farm management, marketing, and food industry privatization. The Stredna Tundja irrigation system is blessed with underutilized water supplied through gravitational irrigation. This system is noted as a system poised to take advantage of the project interventions and serve as a model for

the country. Clarification of the main canal rehabilitation is requested, and the on-farm irrigation system improvements will need to closely match farm size.

2. The size and purpose of the village-level farm demonstration plots proposed will need to be further explained in the Draft Final Report. The role of emerging Extension "local advisory offices" and the former Experiment Stations, and the Research Institute structure requires rationalization in developing the village-level demonstration plots. Potential benefits of bringing the demonstration plot to the farmer, rather than the farmer to the demonstration plot, are new models and require further discussion and definition.

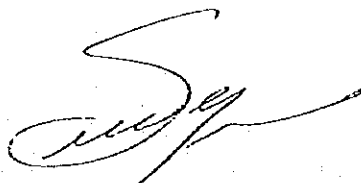
3. For the project, the responsibilities of ISC and the role and definition of Water User Associations (WUAs) in relation to the components should be clarified.

4. The proposed establishment of the Agribusiness Center (ABC) is a good proposal in support of the Municipality of Nova Zagora. Suggested links between the ABC and the potential MAFI Extension service office (also in the Municipality) require further elaboration to ensure roles and services are supportive and not duplicated. A division of responsibility between information duties and technical advisory services is outlined, and will be expanded upon with further study.

5. ISC / Sliven, as the field level office working closest with the JICA Study Team, is committed to support the proposed activities and hopes to encourage full implementation of the project. In this regard, the base cost assumptions applied in calculating inputs and construction works are important to ensuring project success. Significant inflationary pressures and exchange rate movements have occurred during the period of the JICA Study Team's work, (e.g. the price of PVC pipes have risen 4 times from July to November, and exchange rates have changed significantly). Both inflation rates and the exchange rates movements will need to be forecast in the cost estimation.

6. The role of WUAs and a potential coordinating body for WUAs is important but still unclear in the Bulgarian context. The Working Group called attention to the complexity of relations between the users and the supplier of irrigation water. Care will need to be taken to fully account for Bulgarian traditions in water syndicates, prevailing management structures and emerging legislative changes while defining and proposing progressive water management strategies.

2 of 3

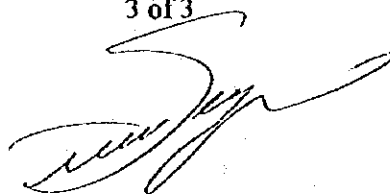


7. Privatization of the agro-processing industries in the Nova Zagora area is recognized to have an impact on agricultural efficiency and farm income levels. MAFI and the Parliament have discussed possible models to encourage farmer participation in the privatization, and the potential for a level of ownership and operation of processing companies. Ideas and potential strategies for encouraging closer farmer and processing company links are solicited from the JICA Study Team.

B. The Japanese side provided an overview of the remaining work schedule. The Draft Final Report preparation will be begin in Japan in mid-December and continue during the month of January. Presentation and explanation of the Draft Final Report will be made in early March 1997. The Final Report will be completed in April.

C. In closing the meeting to review the Progress Report II, the Bulgarian side confirmed agreement with the Project Components as outlined. Both the Bulgarian and Japanese sides were pleased with the study progress to date, and confirmed a commitment to joint project cooperation in the coming months.

3 of 3





## Appendix

### Meeting Participants for Review of Progress Report II 11 December 1996

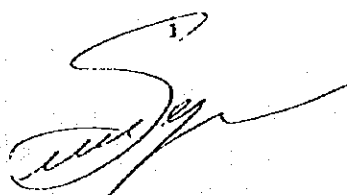
Mr. Emil Betzinsky, Head - International Cooperation Department, MAFI  
Mr. Evgeni Kizilov, Member of Parliament (Nova Zagora), Bulgaria  
Mr. Velio Kizilov, Mayor of Municipality of Nova Zagora  
Mr. Krasimir Dondov, Head of Division Irrigation Systems, Ltd.  
Mr. Ivan Vidinov, Chief Engineer Irrigation Systems, Ltd / Sliven Branch

#### MAFI Working Group:

Mr. Georgi Spiridonov, Chairman, MAFI Working Group  
& Chief - Plant Production Division, MAFI  
Mr. Kalin Andreev, Expert on Irrigation - Plant Production Division, MAFI  
Ms. Miroslava Georgieva, Head of Division - Finance & Trade Policy Dept., MAFI  
Mr. Orlin Illiev, Expert - International Cooperation Department, MAFI  
Mr. Valentin Slavov, Senior Expert - Irrigation Systems, Ltd.  
Mr. Radoslav Stephanov Balev, Expert - Irrigation Systems Ltd.

#### JICA Study Team Present:

Mr. T. Kobayashi, Study Team Leader  
Mr. N. Asano, Expert on Macroeconomics  
Mr. Y. Uchida, Expert on Agricultural Management & Credit  
Mr. M. Elledge, Expert on Organizations & Institutions  
Mr. J. Greenham, Expert on Agronomy  
Ms. N. Toriumi, Expert on Marketing  
Mr. H. Kondo, Expert on Agricultural Infrastructure  
Mr. M. Reza, Expert on Environment  
Mr. Y. Aoki, Project Evaluation



N-4 Assignment Schedule

Assignment Schedule

Field	Name	Firm	Fiscal Year 1996												FY 1997
			Phase I						Phase II						
			5	6	7	8	9	10	11	12	1	2	3	4	
Team Leader	Toshimasa KOBAYASHI	Sanyu Consultants Inc.	30 5	9 5	24 1	30 20	28 28		2 17	16 16			8 14		
Macroeconomy	Nobuhisa ASANO	Daiwa Institute of Research Ltd.	30 5	9 5	30 29	30 29	28 28		2 17	16 16			9 14		
Agricultural Management & Credit	Yoshihiro UCHIDA	Naigai Engineering Inc.			9	30 29	26		2 17	16 16					
Organizations & Institutions	Myles F. ELLEDGE	Development Alternatives, Inc.	30 5	9 5	23	30	28		2 17	16 16					
Marketing	Naoko TORIUMI	Int. Dev. Center of Japan			24	17 16	31		17 16	17 31					
Agronomy	Jonathan GREENHAM	Development Alternatives, Inc.		15	30 29	30 29	28		2 17	16 16			9 14		
Agricultural Infrastructure	Hiroshi KONDO	Sanyu Consultants Inc.		18	30 29	30 29	28		2 17	16 16					
Rural Sociology	Tihomir H. KATARDJIEV	Sanyu Consultants Inc.		9	30 29	30 29	28		2 17	16 16					
Project Evaluation	Yuji AOKI	Sanyu Consultants Inc.		9	30 29	30 29	28		17 16	17 15					
Environment	Mahbub A. K. M REZA	Sanyu Consultants Inc.		15	17 9	31			17 16	17 31					
Design & Cost Estimation	Seiji MIYAMOTO	Sanyu Consultants Inc.		9	30 29	30 29	28		2 17	16 16					
Submission of Report			△	ICR		△	PR(1)	Int/R		△	PR(2)	DFR		△	FR

LEGEND: ■ Field Survey □ Home Work  
 ICR: Inception Report. PR: Progress Report. Int/R: Interim Report. DFR: Draft Final Report. FR: Final Report



JICA