

STATUTE

OF VARNA ECONOMIC DEVELOPMENT AGENCY

I. GENERAL PROVISIONS

Article 1. Varna economic development agency (VEDA) is a legal entity, an association with a not-for-profit purpose, registered according to the Law of Legal Entities with Not-for-Profit Aim (LLENPA).

Article 2 /1/ The Economic Development Agency carries out its activities in compliance with the LLENPA, provisions of the current statute, and the legislation in force with concern to the agency business activities.

/2/ the existence of the Economic Development Agency is not limited to a certain time-limit.

II. THE NAME, HEADQUARTERS, AND ADDRESS

Article 3 /1/ Varna Economic Development Agency is a legal entity with abbreviation VEDA in English.

/2/ VEDA address in Bulgaria is Varna 9000, 2 Shipka St.

/3/ VEDA headquarters is located in Varna, postal code 9000, 2 Shipka St.

/4/ VEDA is allowed to register branches in the country and abroad.

III. AIMS, OBJECTIVES, AND RESOURCES FOR THEIR ACHEVEMENTS

Article 4 /1/ According to the article 2 of LLENPA, VEDA is determined as an association with a not-for-profit purpose for accomplishing activities in public benefit, and particularly the achieving aims and goals, outlined bellow:

1. VEDA aims at creation and strengthening of the civil society, development of the science, the techniques & technology, and more specifically:
 - To facilitate and support economic development in the region of Varna;
 - To elaborate and realize, solely or in partnership, regional and national infrastructure projects, as well as demonstrative projects in the area of agriculture, processing industry, and the issuing of loans for SMEs in the region;
 - To mobilize and coordinate the efforts of regional, national and international institutions, in order to get compliance and cooperation for accomplishment of projects and initiatives towards development.
 - To undertake and accomplish initiatives for popularizing the region and for the attraction of national and foreign investments.
 - To support and stimulate development of strong and free media, with the aim to encourage the free initiative of citizens.

VEDA aims to support the social integration and personal realization, including the realization of young people and people with disabilities, and more specifically:

- To increase the effectiveness of jobless people, young people and people with disabilities when searching for employment, their competitiveness and qualification adaptability to the labor market;
- To encourage the entrepreneurship in the region, including to stimulate the entrepreneurial imitativeness of youth and people with disabilities, their organizations and structures for the successful development and realization;
- To promote and support SMEs in the region;

- To assist for SMEs' involvement in loan programs. Ensuring access to credit institutions and credit lines - purposeful and servicing;
- To plan, popularize, facilitate, elaborate, and coordinate projects with concern to the labor force and their relations to the development of the economy.
- To initiate, popularize and multiply good practices in the area of youth activities, increase in the qualification and social activities.

2. VEDA aims to facilitate attraction, promotion, and assistance to foreign investors and for the increase of the investment potential in the region through:

- Attraction and promotion of foreign investments;
- Comprehensive assistance for the foreign investors in the region – during the realization of investment and for the investors' business activities;
- Encouragement and facilitation the realization of investment projects in the region with participation of foreign investors;
- Increase in the regional informational ensuring with materials and data for and from foreign investors, as well as dissemination of information for the region amongst potential investors in the country and abroad.

3. VEDA aims to work for environment preservation and restoration in the context of sustainable development in the region through elaboration and realization of projects, independently or in partnership, for improvement and development of regional infrastructure.

/2/ RESOURCES for accomplishment of the association's goals:

1. Elaboration and implementation of projects for optimum use of local resources;
2. Organization and conduct of different forms of vocational training and qualification with regards to the current and future needs of the economy development and restructuring;
3. Elaboration of business programs and projects;
4. Delivery of business consultancy, information and technical assistance for entrepreneurs; elaboration of economic analyses.
5. Offering specialized services for SMEs, marketing and advertising of markets and economic entities.

IV. PROPERTY

Article 5 /1/ The association's property consists of property rights and other material rights over the long and short term assets, claims, and other rights in accordance to the legislative acts, currently in force.

/2/ Funding for the achievement of VEDA goals and purposes will be ensured through:

1. Initially paid amount by the founders, and a membership fee that is determined by the Managing Board;
2. Endowments, donations, heritages, and other gifts in favor of VEDA from Bulgarian and foreign individuals and legal entities.
3. Purposeful funding of VEDA programs and projects with regional and national importance from the state and its departments & organizations, Bulgarian and international foundations, associations, unions, individual and legal entities.
4. Publications, rights on intellectual properties and belongings.
5. Dividends and shares of bonds for acquiring properties from third legal entities.
6. Incomes of business activities in compliance with the article 7.

/3/ In case of losses in the annual balance sheets, the General Assembly could vote to cover them by additional membership fees. The decision has to be taken with the votes of at least ½ of all VEDA members.

V. SUBJECT OF THE ACTIVITIES

Article 6 /1/ To achieve its goals, VEDA carries out the following activities:

1. Administration of programs for funding of SMEs and development of the tourism in all its aspects;
2. Creation of initiatives for optimizing the legislation with concern to economics and local self-government;
3. Study of the existing model and initiation of new approaches for better relations between the civil sector and the local and central government / executive and legislative / with the purpose of differentiation of legal entities by regions.
4. Creation of a network with VEDA and similar organizations in the country and abroad. Exchange of programs and ideas.
5. Collection and maintaining of informational data-bases for:
 - National and international programs, projects and sources for funding with the aim to provide that information to institutions, organizations and companies in the region.
 - Local institutions, organizations, and legal entities, and provision of the information to interested regional / national / international organizations in regards to the promotion of Varna region nationally and internationally.
6. Participation in national and international forums;
7. Publications of directories, bulletins, brochures, leaflets, surveys, annual reports and other printing editions and materials.

Article 7 /1/ VEDA is allowed to provide business activities, related to its subject and main activities. The incomes of those activities are used for achieving the goals and purposes, outlined in article 4.

/2/ The scope of the business activities is: Consultations and business services, including elaboration of business plans, economic profiles, marketing surveys and analyses, support for job placement and cooperation at regional, national, and international levels, advisory and services on export – import issues, management of legal entities, organization of business trips to trade exhibitions and fairs; Information services - delivery of information regarding credit lines, programs, surveys, trade exhibitions, etc.; Administrative services - fax, internet, translations and legalization, accountancy, copying, scanning, computer processing and printing, business correspondence; Logistical services – cargo, postal, etc.; Design and publishing, web-design and maintenance, creation of advertising products, including those that apply the new ITC; Carry out trade activities related to article 4 of this statute; Organization and conducting of training, workshops, conferences, qualification and vocational training for all kinds of age and social groups.

Article 8 /1/ VEDA is allowed to accept, create and administer purposeful funds in BGN and currency, aimed at financing programs, projects and events of other legal entities and individuals. The funds could be provided from state or privately owned legal entities and individuals in the country and abroad.

/2/ The Managing Board is allowed to accept and direct grants and donations from local and international persons in compliance with the association activities, aimed at public benefit, and the requirements of the Law of LENPG.

Article 9 VEDA is responsible for its liabilities with the agency property; it is not responsible for the liabilities of its members, and the members are not accountable personally for VEDA liabilities.

VI. MEMBERSHIP. RIGHTS AND OBLIGATIONS OF MEMBERS

Article 10 /1/ The membership in the agency is voluntary. There are full-members, associate members, and honorable members.

/2/ The full-members could become legal and physical persons, such as:

- Municipalities
- Physical and legal persons that are registered under the Trade Law
- Unions and associations of legal and physical persons that have business activities, not-for-profit associations, and organizations.
- Educational establishments, public guardianships, scientist institutes, medias, and creative alliances that support business activities and private initiatives in the region.
- Labor Office Directorates
- Active adults who declare that they will keep to the Statute requirements, will work for accomplishment of VEDA goals and objectives, and will pay the membership fee regularly.

/3/ Associate members are VEDA full-members that did not renew their membership for certain calendar year in terms, fixed by VEDA Managing Board.

/4/ Honorable members could be individuals and legal entities from the country and abroad with special contribution for the achievement of VEDA goals and objectives.

/5/ In case the members are legal entities, they appointed a representative who participates and represents them in the General Assembly sessions and other VEDA management bodies.

/6/ It is not allowed to become VEDA members for individuals and entities that fall into the following groups:

- Political parties and coalitions,
- Religious organizations and those, established on religious base, or sects,
- Individuals who were sentenced effectively or serve a term of imprisonment for abuse and serious crime offence,
- Legal entities that failed in bankruptcy.

Article 11 /1/ New VEDA members are accepted based on written application to the Managing Board and paid annual membership fee from the applicant. In the application the candidate declares that will accept and keep to the Statute requirements, and will work for the achievements of VEDA goals.

/2/ The Managing Board decision to reject an applicant who applies for a membership could be appealed to the General Assembly on the next session.

Article 12 /1/ Each VEDA full or honorable member has rights:

7. To participate in VEDA management through the General Assembly;
8. To be informed for the agency activities in order, determined by the Managing Board;
9. To benefit from the preferential prices, approved by the Managing Board for services, delivered to VEDA clients and prospects;
10. To be elected directly as a member of VEDA managing and controlling bodies;
11. To vote when the Managing Board takes decisions;
12. To state its membership in documents, issued by the respective organization or person.

/2/ Each VEDA member has responsibilities:

- 1) To keep to the Statute's requirements.
- 2) To contribute for accomplishment of VEDA goals and objectives.
- 3) To provide VEDA with information regarding its activities.
- 4) To pay the membership fee in terms, determined by the General Assembly.
- 5) To keep to the laws in the Republic of Bulgaria.

/3/ The honorable members does not pay any membership fee. The rest of the members have to pay a membership fee, which amount, terms and payment procedures are determined by the General Assembly.

Article 13 /1/ The membership in VEDA is ceased in the case of:

- 1) Member's request to the Managing Board.
- 2) Association's closure.
- 3) Managing Board decision resulted from member's behavior of regular and rude violation of statute requirements, cause of material or moral damages to VEDA, and discrepancy with the circumstances, declared in the application for membership.
- 4) Breach of payment requirements, determined by the General Assembly.
- 5) Dead or prohibition of the physical person.
- 6) Closure of the legal entity.

/2/ When the membership is ceased, the member does not received any amounts for membership fees or other part of the association property.

VII. MANAGING BODIES

Article 14 /1/ The General Assembly is the supreme managing body of VEDA

/2/ The Managing Board is a lower body for management of the association.

GENERAL ASSEMBLY

Article 15 /1/ The General Assembly comprises of full members and honorable members, or their representatives in case the members are legal entities.

/2/ The General Assembly is convoked by the Managing Board at least once per year to discuss and accept the Agency annual report and balance sheets.

/3/ The General Assembly could be convoked by the Managing Board or 1/3 of associations members.

/4/ The General Assembly is convoked through published invitation in the Official Journal. The invitation contains the agenda, date, hour, and place for its conduct, and who initiates to convoke the assembly.

/5/ The General Assembly is considered to be legal if at least the half of the members are able to take part in its session. When the number of members is lower, the session of the General Assembly is allowed to be postponed for an hour later on the same date and the same agenda. In this case the General Assembly decisions are considered as legal despite the number of participating members and delegates.

Article 16 The General Assembly has the rights:

- 1) To amend and expand the Statute.
- 2) To adopt other agency regulations.

- 3) To vote and dismiss members of the Managing Board.
- 4) To take decisions for opening / closure of association branches.
- 5) To take decisions for agency participation in other organization.
- 6) To take decisions for merge or closure of the association.
- 7) To approve the main directions and programs for agency' activities.
- 8) To approve the association's budget.
- 9) To determine the size, procedures, and terms for payment of the membership fee.
- 10) To accept the Managing Board activity reports.
- 11) To cancel decisions, issued by the other association bodies, which contradict to the law, the statute, and other agency documents that regulate VEDA activity.

Article 17 The members of the General Assembly take decisions with an open vote, with a common majority but for cases related to article 16, p. 1, 6 and 7, the majority has to comprise 2/3 of all participating members.

MANAGING BOARD

Article 18 /1/ The Managing Board comprises of at least 3 (three) members of the association. Members of the Managing Board could become only full-members and honorable members, and the term for serving is up to 3 years.

/2/ The Members of the Managing Board is convoked to participate in Board sessions at least four times per year through a request of 1/3 of the members, or by initiative of either the Chairperson or the director of the association.

Article 19 The Managing Board:

- 1) Presents the association through its chairperson, and determine the scope of director's representative authority;
- 2) Manages VEDA activities;
- 3) Ensures implementation of the General Assembly's decisions;
- 4) Select through voting the chairperson among its members for the period of three years;
- 5) Makes arrangements for use of association's property in compliance with the law & statute requirements;
- 6) Prepares and introduce budget's proposals to the General Assembly;
- 7) Prepare and introduce report for association's activities to the General Assembly;
- 8) Determines and organize the implementation of the association's activities, including those with concern to public benefit, and bear related responsibilities;
- 9) States the address of the association;
- 10) Makes a proposal to the General Assembly for cancellation of membership;
- 11) Approves VEDA organizational structure and number of full-time personnel per year;
- 12) Adopts the organizational regulations;
- 13) Accepts plans and programs for VEDA activities;
- 14) Determines the procedures for delivering of information about association activities to interested VEDA members;
- 15) Votes the regulations for use of property and benefits that come from the association activities regarding its orientation and compliance with public benefits goals.
- 16) Launches of purposeful monetary funds and their management;
- 17) Takes decisions about issues that are not regulated by the law or other legal entity;
- 18) Keeps to its obligations, outlined in the statute.

Article 20 /1/ The Managing Board is allowed to take decisions if there are at least a half of its members , available for the Board's session.

/2/ The Managing Board decisions are accepted with a common majority, except in the cases, determined in the Law of LENPG.

/3/ For a participant in the Board session could be considered a person who is approached by the telephone or on-line conference internet connection that guarantee the persons' identification and his/her ability to take part in the discussions and decision taking process. Those circumstances are registered in the minutes and the session's chairperson verifies it.

/4/ The Board decision is also legal if the session is not conducted but the minutes with the decision(s) is signed by all Board members without any remarks or comments.

Article 21 The functions and activities of VEDA structural units are set up with regulations and rule, adopted by the Managing Board.

Article 22 The Managing Board continues to carry out its functions till the election of new members to the Board.

Article 23 The Chairperson of the Managing Board:

/1/ Represents the Agency

/2/ Chairs the Managing Board's sessions

/3/ Verify the sessions' minutes

/4/ Calls for Board sessions on his/her own initiative or based either on a written request from a 1/3 of the members, or a proposal from the executive director.

Article 24 Based on Managing Board decision, the Chairperson appoints director who have to carry out the operative management and to execute the association activities. The director has to:

/1/ Organize and take responsibilities for implementation of Managing Board decisions.

/2/ On behalf of VEDA carry out all necessary actions, related to the achievement of the agency's main goals and purposes, laid down in the statute.

/3/ Represent VEDA – together with the Chairperson or separately, in front of all physical persons, state and municipal bodies, financial and public institutions, trade enterprises and not-for-profit associations, and could involve the agency in deals by signing the related documents.

/4/ Appoint or dismiss the agency personnel, monitor and coordinate its activities.

/5/ Manage and coordinate the units within the agency structure, appoint or dismiss the unit's heads.

/6/ Work out strategic plans, yearly action plans, and reports for VEDA activities. Introduce them to the Managing Board.

/7/ Have responsibilities for the implementation of the action plan and budget for each year.

/8/ Have rights to open or close bank accounts on behalf of the agency, to operate unlimitedly with the association funds in BGN or foreign currency, that are available in the trade banks.

/9/ Report his/her activities to the Managing Board at least once per six months.

VIII. CEASING AND LIQUIDATION

Article 25 It is possible VEDA to be ceased according the regulations of article 13, p.1 of the Law of LENPG.

Article 26 /1/ In case of cease, the VEDA has to be liquidated.

/2/ The liquidation is carry out by the Chairperson of the Managing Board if there is no other person appointed by the Board.

IX. THE PROPERTY AFTER LIQUIDATION

Article 27 After covering of the creditors' claims, the rest of the association property has to be transferred based on a court decision to another legal entity with not-for-profit goals that work for public benefit and has the same or similar goals as the agency.

X. OTHER REGULATIONS

Article 28 /1/ VEDA 's seal is round, and it is placed on documents for property rights as well as on issued by the agency documents, certificates, and correspondence.

/ 2/ The seal is kept by the director or other authorized person from VEDA personnel.

Article 29 VEDA has a logo both in English and Bulgarian languages that is placed as a header on the top of the sheet when preparing agency official correspondence or other documents. The logo usually contains the name of the donor that finance current agency project along with the names of USAID and Varna Municipality, which have provided support for the establishment of the association in 1997.



**АГЕНЦИЯ
ЗА ИКОНОМИЧЕСКО РАЗВИТИЕ ВАРНА**

С финансовата подкрепа на USAID

Варна 9000, ул. "Шипка" 2, Тел.: +359 52/ 606 274, 0887/ 934 526
Факс: +359 52 / 606 275 , Ел. поща : vardevel@mail.orbitel.bg
Интернет: <http://www.veda-bg.eu>



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С финансовата подкрепа на USAID

Varna 9000, 2 Shipka St, Phone: +359 52/ 606 274, 0887 / 934 526
Fax: +359 52 / 606 275, E-mail: vardevel@mail.orbitel.bg
Web-site: <http://www.veda-bg.eu>

Article 30 The legislation in force will concern all other issues that are not determined by the provisions of current statute.

This Statute was adopted during the meeting of the founders, held on July 1 1997 in Varna. Its provisions were amended by the General Assembly on 9th of August 2001 in Varna in order to comply with the requirements of the Law for the legal entities with not-for-profit goal. Also, the statute was amended with a decision of General assembly during its meeting, held on 19th of March 2009.

