



Bulgarian experience through the EU integration

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“Modern Rural Policy: Competitiveness, Investment and well-being in rural regions in South East Europe”

Content

- ▶ Programming experience from pre- accession period SAPARD program 2000-2006
 - ▶ RD programming 2007-2013
 - ▶ RD programming 2014-2020
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SAPARD – instrument for rural development assistance in the pre-accession period

SAPARD:

- was the **first attempt to formulate rural development policy**;
 - focused the **public discourse** on rural development policy;
 - introduced new approaches for policy-making – i.e. the **partnership principle**;
 - focused attention on the need to **integrate horizontal EU priorities in rural development policy** – such as environment protection, gender equality, etc.
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SAPARD Impacts

SAPARD provided tangible benefits to:

- ❑ **Agriculture and food industry** – investments in new technologies and equipment;
 - ❑ **Rural areas** – stimulated the development of local enterprise;
 - ❑ **General public** – increased awareness of EU programs;
 - ❑ **Administrative capacity** – significant practical experience in the fields of programming, monitoring, evaluation and implementation of rural development programs.
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SAPARD Results on the Ground

□ Agriculture

1485 projects paid at cumulative amount of 355 million Euro;

□ Food Industry

267 projects paid at cumulative amount of 290 million Euro;

□ Rural Economy – Diversification

467 project paid at cumulative amount of 58 million Euro;

□ Rural Economy – Infrastructure

47 projects paid at cumulative amount of 48 million Euro.

The total budget was approximately € 500 milion.

By the end of the programme 3509 contracted projects at cumulative amount of € 704 million, and 2600 paid projects at cumulative amount of 450 million.

SAPARD

(good practice for RDP 2007-2013)

- Permanent **working groups** by measure of the SAPARD Plan:
 - allowed active stakeholder participation in preparation and revision of the measures;
 - early identification of emerging problems.
 - Discussions to the **SAPARD Monitoring Committee** meetings - important tool for adjustment of the Programme implementation.
 - Bulgarian agricultural **producers**, food processing **companies** and rural **municipalities** accumulated **significant experience in implementation of EU projects.**
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SAPARD - Lessons learned

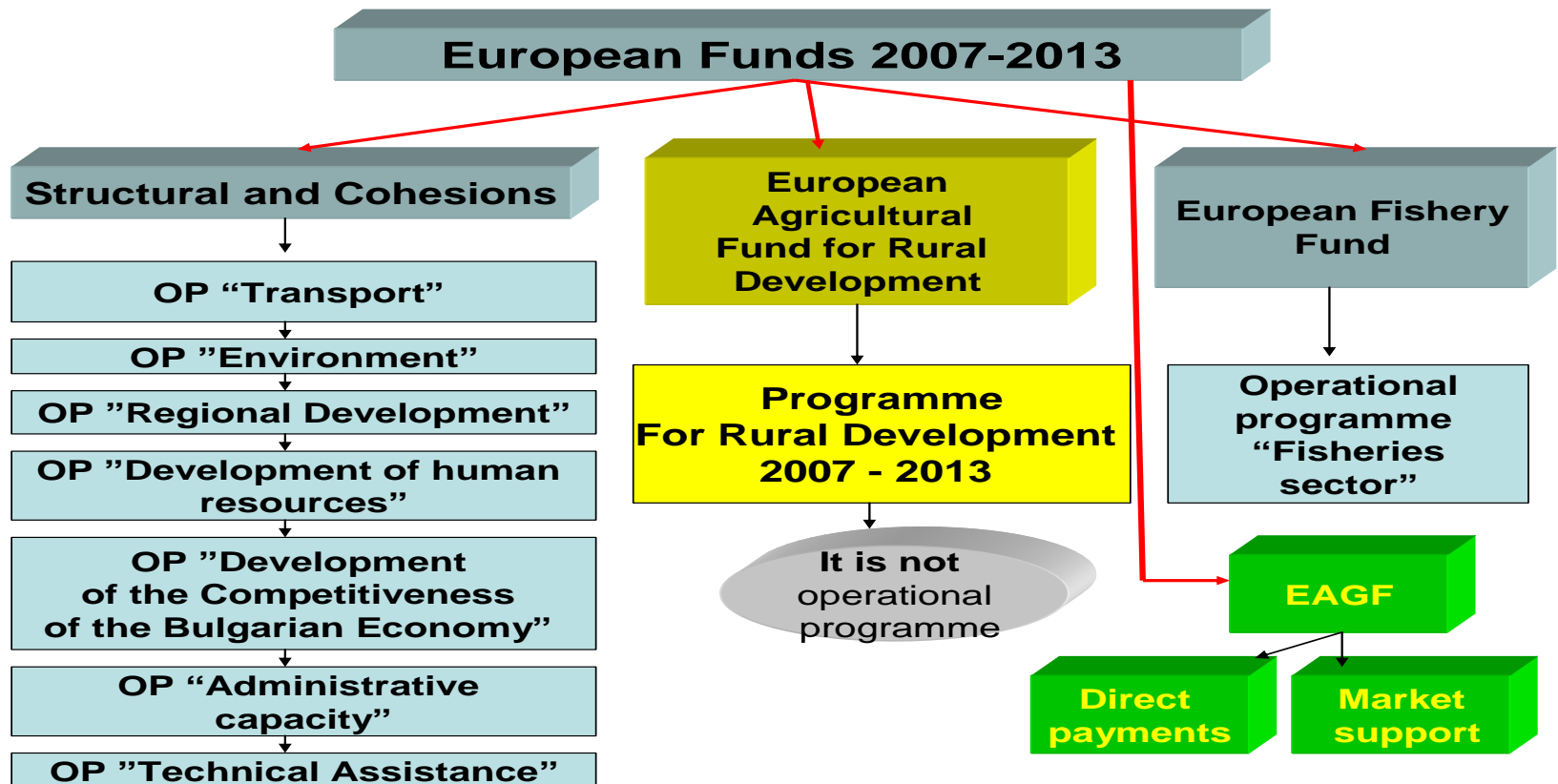
- ❑ Lack of funds for **pre-financing** of operations;
 - ❑ Lack of **knowledge** on procedures by **beneficiaries**;
 - ❑ Lack of strategic vision in municipalities – non-sustainability projects, no integrated projects, no active local participation (projects are developed without consultation with local stakeholders), etc.
 - ❑ Quantitative assessment \via check-lists\ vs. qualitative assessment;
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SAPARD - Lessons learned

- Quality of **Risk analysis**;
 - Collection of data for monitoring & reporting purposes was often viewed as “secondary” to contracting/project approval and payment of support – this coupled with high staff turnover (esp. at the SAPARD Agency) leads to **deficiencies as regards regular & continual provision of reliable data**;
 - Qualitative data on program results was provided almost solely by the mid-term evaluation[s] – in the absence of such data the **analytical function of reporting** may suffer.
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RD Programming 2007-2013

Scheme of European Funds:



CAP budget for Bulgaria in the period 2007-2013

First Pillar

Direct payments

Total 2 566 Billion Euro

Second Pillar

Rural Development
Programme

Total 3 279 Billion Euro (2 642 Mio
Euro

EAFRD + 637 Mio Euro National
Fund)

Total amount in the period 2007-2013 – 5 733 B Euro

Overview of results RDP 2007-2013 – Pillar 1

Direct payments

The agricultural farmers may obtain direct payments for the agricultural areas, which they use on the territory of the country

Single Area Payment Scheme

Minimum requirements:

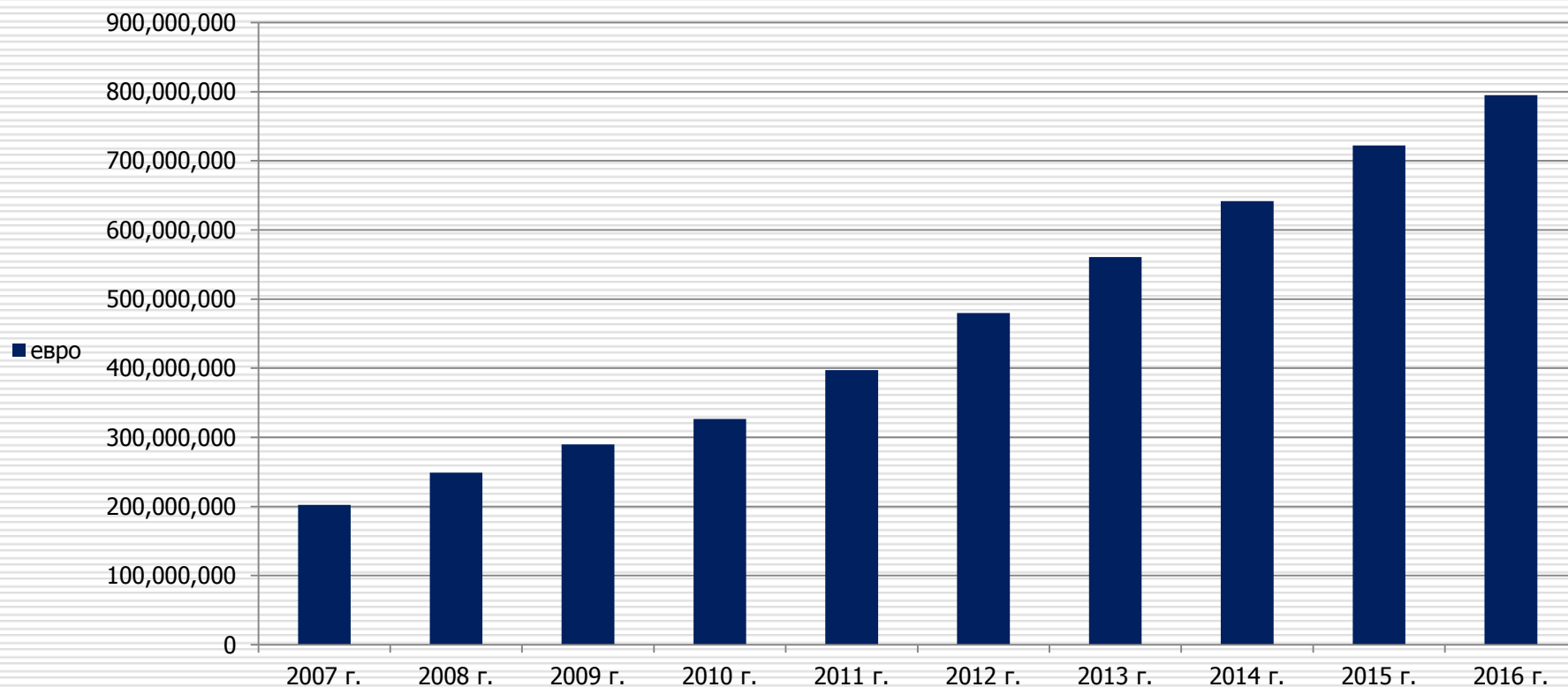
- ▶ 1 ha – agricultural holding
 - 0,5 ha – permanent crops
- ▶ 0,1 ha – parcel

Complemented with additional national payments

Specific support scheme under Art.68 of Regulation 73/2009- dairy cows, sheep and goats, fruit and vegetables

Overview of results RDP 2007-2013 – Pillar 1

SAPS Financial ceilings for Bulgaria 2007-2016



Overview of results RDP 2007-2013 – Pillar 1

Results of SAPS implementation

- Increase of the **competitiveness, sustainability and better market orientation** of the Bulgarian agriculture
 - **Higher and more secure incomes** for the agricultural producers, including in the situation of economic crises, climatic changes and natural disasters
 - **Guarantee for a minimum income** of farmers and approximation to the income from other economic activities
 - Support investments by guaranteeing higher available income
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Overview of results RDP 2007-2013 – Pillar 2

Rural Development

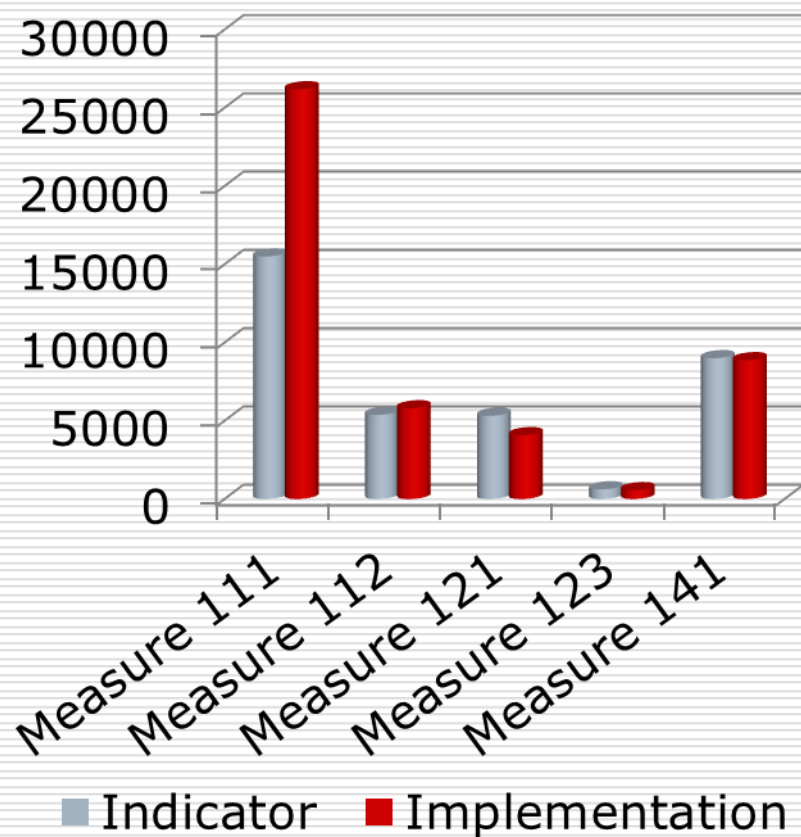
Main function - Implementation of the NSPRD and achievement of the strategic objectives, laid down in it through measures, combined in four priority axes:

- **Axis 1** “Improving the competitiveness of the agricultural and forestry sector” including 8 measures;
- **Axis 2** “Improving the environment and the countryside” including 6 measures;
- **Axis 3** “Quality of life in rural areas and diversification of the rural economy” including 5 measures;
- **Axis 4** “LEADER”.

Period of implementation – from the date of it’s official approval by EC to 31 December, 2013 – approval of projects and to end of 2015 – payment of projects

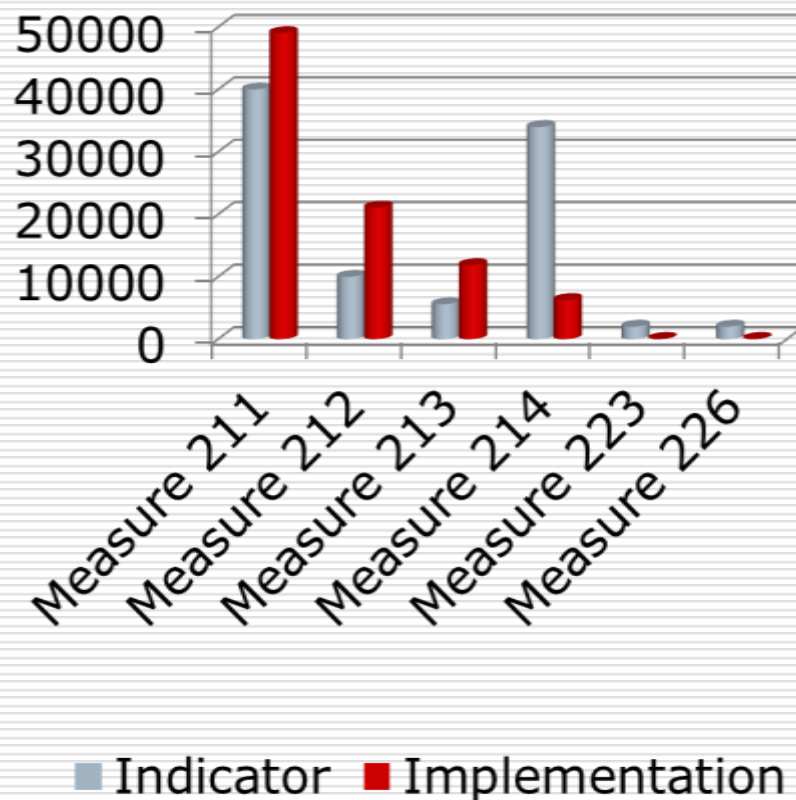
RDP 2007-2013: Achievement of the Indicators, Axis 1

- Measure 111 "**Training**, information and diffusion of knowledge"
 - Number of participants in training -**169%**
- Measure 112 "**Setting up** of young farmers"
 - Number of assisted young farmers – **107 %**
- Measure 121 "**Modernisation** of Agricultural Holdings"
 - Number of **farm holdings** supported – **77%**
- Measure 123 "**Adding Value** to Agricultural and Forestry **Products**"
 - Number of enterprises supported – **87%**
- Measure 141 "Supporting **Semi-Subsistence Farms** Undergoing **Restructuring**"
 - Number of semi-subsistence farms supported – **99%**



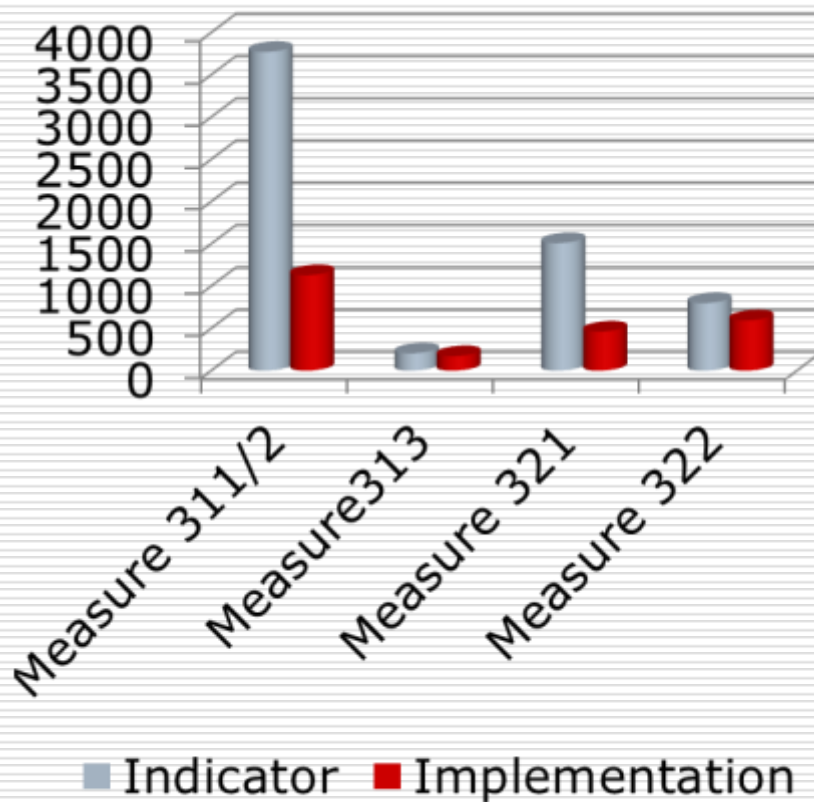
RDP 2007-2013: Achievement of the Indicators, Axis 2

- ❑ Measure 211 “Natural Handicap Payments to Farmers in Mountain areas”
 - Number of supported farms in mountain area – **123%**
- ❑ Measure 212 “Payments to Farmers in Areas with Handicaps, other than Mountain areas”
 - Number of supported farms in areas with handicaps, **other than mountain areas** – **211%**
- ❑ Measure 213 “Natura 2000 payments”
 - Number of supported farms in **Natura 2000** – **212%**
- ❑ Measure 214 “Agri-environmental Payments”
 - Total area under **agri-environmental support** (ha) – **106%**



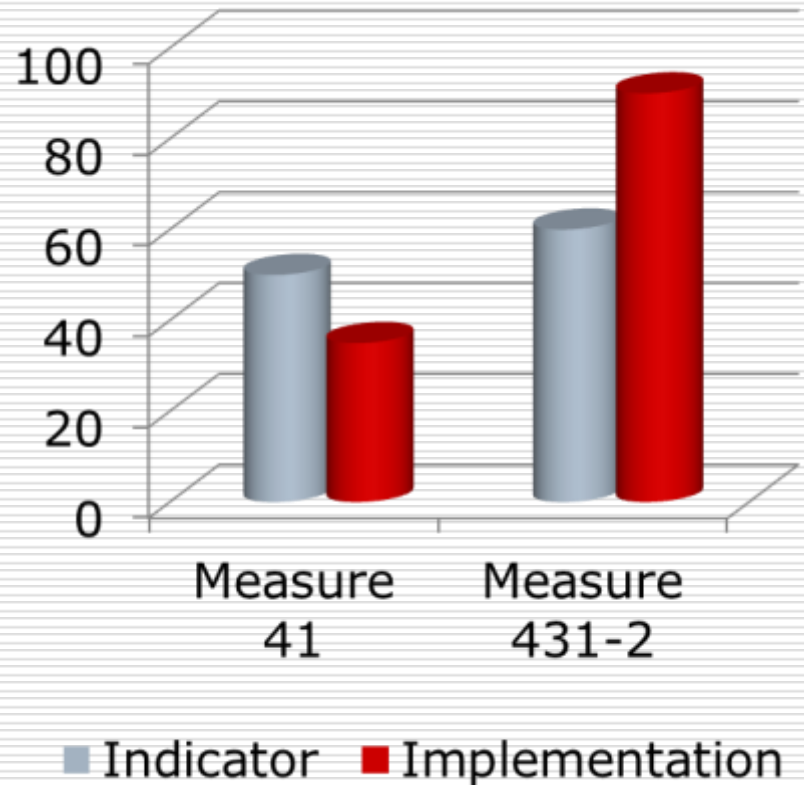
RDP 2007-2013: Achievement of the Indicators, Axis 3

- Measure 311” **Diversification** into Non-Agricultural Activities”/Measure 312”Support for the Creation and **Development of Micro-Enterprises**”
 - Number of jobs created – **20%**
- Measure 313”Encouragement of tourism activities”
 - Number of new tourism action supported– **83%**
- Measure 321”**Basic services** for the Economy and rural population”
 - Population in rural areas benefiting from improved services – **113%**
- Measure 322” **Village Renewal** and Development”
 - Population in rural areas benefiting from improved services – **176%**

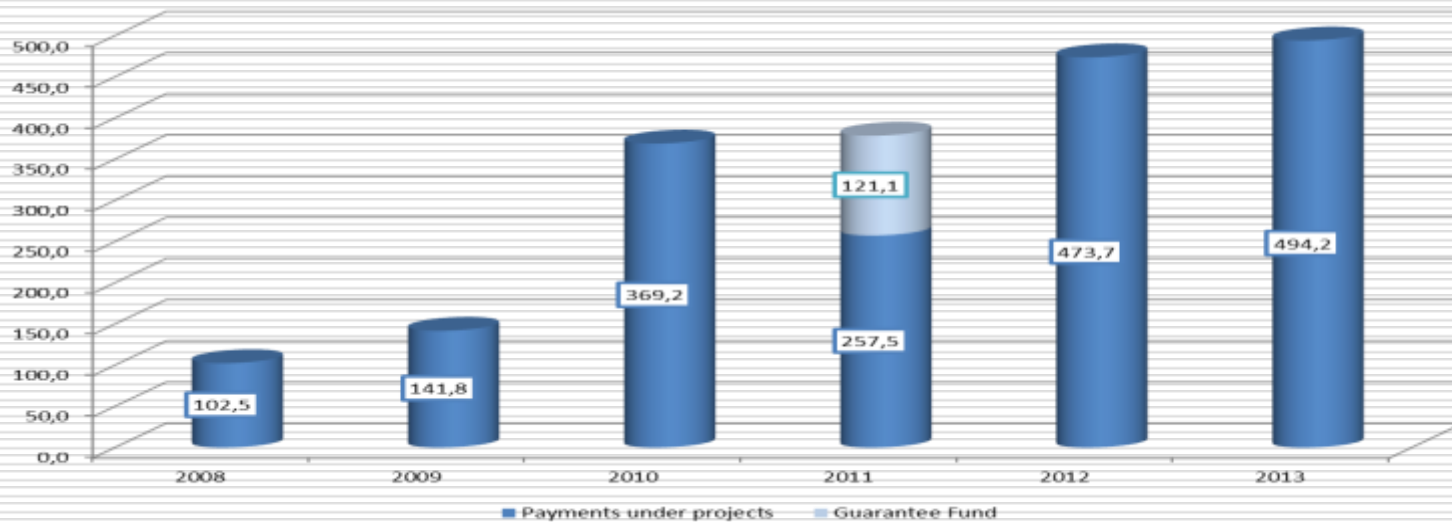


RDP 2007-2013: Achievement of the Indicators, LEADER

- Measure 41 “**Implementation** of the local development **strategies**”
 - Number of supported LAGs – 70%
- Measure 431-2 “**Running costs**, acquisition of skills and animation – potential LAGs”
 - Number of supported LAGs – 150%



Payments by years



The total funds paid under RDP as of 31.12.2014 amount to **2 385 BEuro (75,3% of the budget of RDP)**

General conclusions 2007-2013

(Lessons learned)

Positive effects:

- Development of **competitive** based on innovations **agriculture, forestry and food industry**;
 - Nature resources and **environment preservation** in the rural areas;
 - Improving **the quality of life and diversification** of the opportunities for employment in rural areas;
 - Improving the level of **information and advice services to farmers**;
 - Establishment of a **Guarantee Fund**;
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General conclusions 2007-2013 (Lessons learned)

Positive effects:

- Established operating offices **communicating with the people;**
 - Increased the role of **Advisory services;**
 - High level of interest in **LEADER implementation;**
 - Increased awareness
 - Recognition of “bottom-up” approach as valuable instrument for the development of the local communities.
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General conclusions 2007-2013

(Lessons learned)

Negative experience:

- **Delays in the approval** of projects received;
 - Problems with the **administrative capacity and the management** of SFA-PA;
 - Problems with **resolving/interpretation of specific cases eligibility of expenditure** – the PA and the MA should work in coordination from the beginning of the process;
 - **Centralized administrative control** procedures;
 - **Limited use central electronic data**;
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General conclusions 2007-2013

(Lessons learned)

Negative experience:

- **Difficult access to credits for applicants;**
 - **Weak interest in some measures and difficulties met in the application form and accompanying documents preparation**
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General conclusions 2007-2013

(Lessons learned)

Negative experience:

Specific to LEADER approach implementation

- Insufficient administrative capacity and **high turnover of staff** in the LAGs
 - **Loss of capacity** where strategies and LAGs were prepared but not selected for funding
 - **Financial problems of the LAGs** reflected in cancellation of projects;
 - **Limited size and capacities of the LEADER territories:** LAGs are formed mainly by one municipality (18 LAGs) or two municipalities (12 LAGs).
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RD Programming 2014-2020

- ❑ Date of approval – 26th May 2015 with the total budget nearly Euro 2.9B public money
 - ❑ Six Rural Development priorities:
 - Knowledge transfer and innovation in agriculture, forestry and rural areas;
 - Competitiveness of agri sector and sustainable forestry;
 - Food chain organization, including processing and marketing of agricultural products, animal welfare and risk management in agriculture;
 - Restoring, preserving and enhancing ecosystems related to agriculture and forestry;
 - Resource efficiency and climate;
 - Social inclusion and local development in rural areas.
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RD Programming 2014-2020

The *four biggest RDP measures* in budgetary terms (total public funding) are:

- ❑ € 841 million allocated for Measure 4: Investments in physical assets
 - ❑ € 626 million allocated for Measure 7: Basic services and village renewal in rural areas
 - ❑ € 276 million allocated for Measure 13: Payments in areas facing natural or other specific constraints
 - ❑ € 271 million allocated for Measure 6: Farm and business development
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For additional information:

www.prsr.government.bg

Section “Rural Development Programme”

Thank you for your attention !

Good afternoon, let me first before to start of my presentation to welcome you in Bulgaria. I'm very happy to see so many people attending the Forum and I'm pretty sure we will have constructive dialog sharing experiences, knowledge and opinions for better life in our rural regions. Wish you a pleasant stay and fruitful work during the Forum.

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- SAPARD introduced integrated rural development as a blend of sector-territory-community development policies;
 - SAPARD introduced partnership with the economic and social NGOs and local actors as a continuous process throughout policy making and programme management ;
 - SAPARD allowed Bulgarian institutions to acquire the **responsibility for programme management** and build **internal expertise and capacity** to implement, monitor and evaluate such programmes.
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On the diagram you can see how the rate of support is aligned with older Member state by the end of the programming period. There is a constant increase of applicants interest in applying SAPS support-the number of applicants has increased by 11% compared to 2007 (the first year of implementation of the scheme. Large number of agricultural holdings (more than 90 thousand) supported under SAPARD. High presentage of used and distributed resources.

The highest uptake of funds by the end of 2014 was achieved under Axi 1 where 673 MEUR have been granted representing 28% of the total amount paid under the Programme. Measure 121 "Modernization of agricultural holdings" took the leading share with absorption of 73% followed by measures 112, 141 and 123

In Axis 2 the Highest absorption rate were achieved under measure 213 "Natura 2000 payment" (123%) followed by M211 and 212 (90%)

Axis 3 came second in terms of funds uptake representing 33% of the support granted under the Programme. Round 491MEURO have been used under M321 (74%), followed by M322 and M312 (66%)

The highest interest is under measure 431-2 where 78% of the Municipalities in the rural areas included in the potential LAG's submitted the application; 68% of the Municipalities included in the approved potential LAG's and 60% of the Municipalities in the Rural Areas successfully implemented their projects.

The Bulgarian Rural Development Programme was formally adopted by EC on 26 May 2015, outlining Bulgaria's priorities for using 2.9 BEUR of public money that is available for the period 2014-2020.

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.
