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Factsheet on 2014-2020 Rural Development Programme for Bulgaria

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). Currently, following the adoption of the Transitional Regulation, extending the programme by two additional years and the additional funding provided from the EU Recovery Instruments, the total planned public expenditure amounts to € 3.8 billion (€ 3.1 billion from EU budget).

Under the first objective of improved competitiveness and balanced development of the country's agri-food and forestry sectors, about 2 000 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 3 705 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 52 000 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 3 500 jobs will be created through diversification and development of small enterprises, and another 600 jobs will be created via the implementation of local development strategies. One third of the rural population will benefit from improved infrastructure.

Support for [Rural Development](#) is the 2nd Pillar of the [Common Agricultural Policy](#), providing Member States with an envelope of EU funding to manage nationally or regionally under multi-annual, co-funded programmes. The new [RD Regulation](#) for the 2014-2020 period addresses six economic environmental and social priorities, and programmes contain clear targets setting out what is to be achieved. Moreover, in order to coordinate actions better and maximise synergies with the other European Structural & Investment Funds ([ESIF](#)), a [Partnership Agreement](#) has been agreed with each Member State highlighting its broad strategy for EU-funded structural investment.

This document provides a brief overview of how the challenges and opportunities faced by Bulgaria are addressed by the RDP. In the annex, a table indicates the priorities and focus areas each with their specific targets, and their allocated budget.

1. SITUATION AND KEY CHALLENGES

Data available at the time of drafting of the Programme show that Bulgaria covers an area of 110 900 km² of which 81 % is rural. Of the total area, 46.1 % is agricultural land while forests cover 37.4 %. The total population is 7.28 million – of which 39 % live in rural areas. In 2012, 58.8 % of the working-age population is employed, however the level of employment in rural areas is lower (50.7 %) and the areas are characterised by higher poverty and population decline compared to urban areas.

The agricultural sector contributes to 6 % of the country's Gross Value Added (GVA) and 18.3 % of the work places, while the food industry has a share of 3.8 % in the GVA and 3.4 % in the employment. The structure of agricultural holdings is polarised – although an average holding in Bulgaria utilises 12 ha of land, 91 % of the country's 370 500 agricultural holdings have less than 5 ha. The average economic size of an agricultural holding is € 6 847. 23% of farms are in the range of € 2 000 – € 7 999 and they contribute to 24 % of the agricultural employment. Certain traditional agricultural sectors (such as fruit and vegetables, and livestock) are underperforming and experiencing structural difficulties. In addition to the need for technological modernisation, there is a necessity to promote short supply chains, restructuring of small farms, and generation renewal in agriculture in order to ensure stronger productivity growth and the creation of new jobs.

The Bulgarian ecological network Natura 2000 covers 34.4 % of the country's territory. 504 600 ha are classified as High Nature Value (HNV) areas. Nitrate Vulnerable Zones (NVZ) cover 34.5 % of the territory and 69 % of agricultural areas. However, land abandonment or intensification of agricultural production create risk for biodiversity, inefficient use of natural resources and negative impact on water and soil. As of 2012, only about 12 000 ha of the total agricultural land was certified for organic farming, but this figure is increasing every year. In 2011 the share of renewable energy in the total energy consumption was at 13.8 % (a 16 % target to be reached by 2020). 57% of Bulgarian forests are included in Natura 2000 and forest fires are a considerable risk, leading to loss of biodiversity and increased emissions.

Other challenges include depopulation and lower economic activity in rural areas, accompanied by poor quality of basic services for the rural population and outdated public infrastructure, social and cultural facilities.

2. HOW THE BULGARIAN RDP WILL ADDRESS THESE CHALLENGES

In addressing these challenges, 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. The focus of each priority is explained briefly below.

Knowledge transfer and innovation in agriculture, forestry and rural areas

Under this priority the RDP aims to support knowledge transfer and information actions, advisory services, farm management and farm relief services and co-operation. Around 4 800 people will be trained to increase the knowledge and skills of those employed in the agricultural and forestry sectors. Total number of co-operation actions will be 470 while 20 Operational Groups under the European Innovation Partnership will receive support.

Competitiveness of agri sector and sustainable forestry

The number of holdings to be supported for investments will be 2 000 (0.54%) while the number of beneficiaries receiving start up aid for development of small farms will be 4 060.

3 705 (1%) 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.

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

145 agricultural holdings (0.04%) will receive support for participating in quality schemes, local markets and short supply chains as well as in producer organisations. 330 operations will be supported linked to investments for production or marketing of agricultural products, as well as 40 producer groups involving 130 agricultural holdings.

Restoring, preserving and enhancing ecosystems related to agriculture and forestry

Support for conversion to organic farming will cover 23 000 ha and another 29 000 ha will be supported for maintenance of the organic farming activities. Agri-environment-climate sub-measures will be implemented on 113 000 ha. 60 000 ha in designated Natura 2000 areas will benefit from compensatory support. Payments for areas with natural constraints are planned to cover 310 000 ha mountain areas and 220 000 ha of other areas facing significant natural constraints. As regards forestry, € 20 474 302 public funding is planned to be spent on forest-environmental and climate activities and forest conservation.

Resource efficiency and climate

Renewable energy production will be supported through investment of approximately € 154 million, and another € 419 million will be invested in improved energy efficiency in the agricultural sector and food processing industry. Investments in livestock management in view of reducing GHG and/or ammonia emissions (manure treatment) will affect more than 2 000 Livestock Units (0.17% of the total). Only 230 ha of agricultural and forest land will be under management contracts contributing to carbon sequestration and conservation.

Social inclusion and local development in rural areas

More than 3 500 jobs will be created through diversification and development of small enterprises, and another 600 jobs via the implementation of LEADER local development strategies. Investments for diversification into non-agricultural activities will be provided to 630 enterprises. One third of the rural population will benefit from improved infrastructure. Support will be provided to 60 Local Action Groups under LEADER to implement local development strategies covering 23 % of the rural population. 1.64 % of the rural population will benefit from improved access to ICT (New Generation Access broadband infrastructure).

In 2020 and 2022 Bulgaria used the opportunities to provide additional support to farmers through the two exceptional measures – 21 and 22, proposed by the European Commission to address the challenges resulting from Covid-19 and the Russian aggression against Ukraine.

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

- € 1 221 million allocated for Measure 4: Investments in physical assets
- € 718 million allocated for Measure 7: Basic services and village renewal in rural areas
- € 384 million allocated for Measure 13: Payments in areas facing natural or other specific constraints
- € 282 million allocated for Measure 10: Agri-environment-climate

Annex 1: Indicative public support for the Bulgarian Rural Development Programme

Target	Measure	€ Total public	%
Priority1: Knowledge transfer and innovation in agriculture, forestry and rural areas ¹			
1A: Fostering innovation, cooperation, knowledge base 2.41% % of RDP expenditure	01 knowledge		
	02 advisory		
	16 cooperation		
1B: Strengthening links (with research etc.) 470 cooperation projects	16 cooperation		
1C: Training 4 800 participants trained	01 knowledge		
Priority 2: Farm viability, competitiveness and sustainable forest management			
2A: Economic performance, restructuring & modernisation 0.54% of holdings with RDP support	01 knowledge	5 000 000	0.13
	02 advisory	9 595 413	0.25
	04 investments	359 290 503	9.44
	06 farm / business development	83 945 294	2.21
	16 cooperation	14 388 889	0.38
	M21 COVID-19 crisis	44 461 947	1.17
	M22 Impact of Russia's invasion of Ukraine	28 000 000	0.74
2B: Generational renewal 1% of holdings with RDP supported business development plan/investments for young farmers	01 knowledge	2 000 000	0.05
	02 advisory	3 254 531	0.09
	04 investments	84 052 971	2.21
	06 farm / business development	107 713 021	2.83
2C+: Improve the economic performance of companies active in the forestry sector, timber industry and primary wood processing	08 forest investments	18 850 000	0.49
Priority 3: Food chain organisation, including processing and marketing of agricultural products, animal welfare and risk management		461 988 772	12.14
3A: Improving competitiveness of primary producers	01 knowledge	200 000	0.01
	02 advisory	903 715	0.02

¹ No financial allocation shown for Priority 1 as the expenditure is distributed across other focus areas.

Target	Measure	€ Total public	%
0.04% of agricultural holdings receiving support for participating in quality schemes, local markets and short supply circuits, and producer groups/organisations	04 investments	391 194 274	10.28
	06 farm / business development	5 257 548	0.14
	09 producer groups	9 316 502	0.24
	14 animal welfare	24 802 124	0.65
	16 cooperation	2 055 555	0.05
3B: Farm risk prevention and management	01 knowledge	200 000	0.01
	02 advisory	469 715	0.01
Priority 4: Restoring, preserving and enhancing ecosystems in agriculture and forestry²		1 132 070 003	29.76
4A Biodiversity	01 knowledge	3 505 404	0.09
12.13 % of agricultural land under contracts	02 advisory	2 313 178	0.06
	04 investments	34 958 350	0.92
4B Water management	08 forest investments	20 474 302	0.54
2.66% of agricultural land under contracts	10 AEC	242 384 616	6.37
	11 organic farming	233 943 439	6.15
	12 Natura 2000	204 676 037	5.38
4C Soil erosion and management	13 ANC	383 814 675	10.09
1.32% of agricultural land under contracts	16 cooperation	6 000 000	0.16
Priority 5: Resource efficiency and shift to low carbon and climate resilience economy in agriculture, food and forestry sectors		488 177 961	12.83

² Expenditure under Priority 4 is programmed for the priority as a whole, not for individual focus areas

Target	Measure	€ Total public	%
5A Water efficiency 38.72% of irrigated land switching to more efficient irrigation systems	01 knowledge	4 000 000	0.11
	02 advisory	348 412	0.01
	04 investments	74 465 860	1.96
	16 cooperation	1 111 111	0.03
5B Energy efficiency € 419 million total investment for energy efficiency	01 knowledge	2 550 000	0.07
	02 advisory	985 905	0.03
	04 investments	233 605 405	6.14
	16 cooperation	1 111 111	0.03
5C Renewable energy 154million EUR Total investment in renewable energy production	01 knowledge	550 000	0.01
	02 advisory	985 905	0.03
	04 investments	42 829 679	1.13
	07 basic services	70 000 000	1.84
	16 cooperation	1 111 111	0.03
5D Reducing GHG and NH3 0,17% of LU (Live-stock Unit) concerned by investments in live-stock management in view of reducing GHG (Green House Gas) and/or ammonia emissions 0.16% of agricultural land under management contracts targeting reduction of GHG and/or ammonia emissions	01 knowledge	3 694 595	0.10
	02 advisory	985 905	0.03
	04 investments	1 306 660	0.03
	10 AEC	40 000 000	1.05
	16 cooperation	1 111 111	0.03
5E Carbon conservation and sequestration 0% of agricultural and forest land under management contracts contributing to carbon sequestration or conservation	01 knowledge	1 300 000	0.03
	02 advisory	985 905	0.03
	08 forest investments	4 028 170	0.11
	16 cooperation	1 111 111	0.03
Priority 6: Social inclusion, poverty reduction and economic development in rural areas		906 390 433	23.83
6A Diversification, creation of small enterprises and jobs	06 farm / business development	79 526 861	2.09

Target	Measure	€ Total public	%
3 500 jobs created in supported projects	M21 COVID-19 crisis	3 880 357	0.10
	M22 Impact of Russia's invasion of Ukraine	4 963 500	0.13
6B Fostering local development 22.91% rural population under local development strategies 33.36% rural population with improved services/infrastructure 600 jobs created (via LEADER)	07 basic services	606 663 542	15.95
	19 LEADER and CLLD	169 356 172	4.45
6C Access to and quality of ICT 1.64% of rural population benefiting from new or improved services/infrastructures (ICT)	07 basic services	42 000 000	1.10
Technical Assistance		55 477 734	1.46
Total public expenditure €		3 804 307 496	100