



IMPACT OF RDP FOR ACHIEVING VIABILITY OF RURAL AREAS IN BULGARIA

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AIM OF THE PAPER

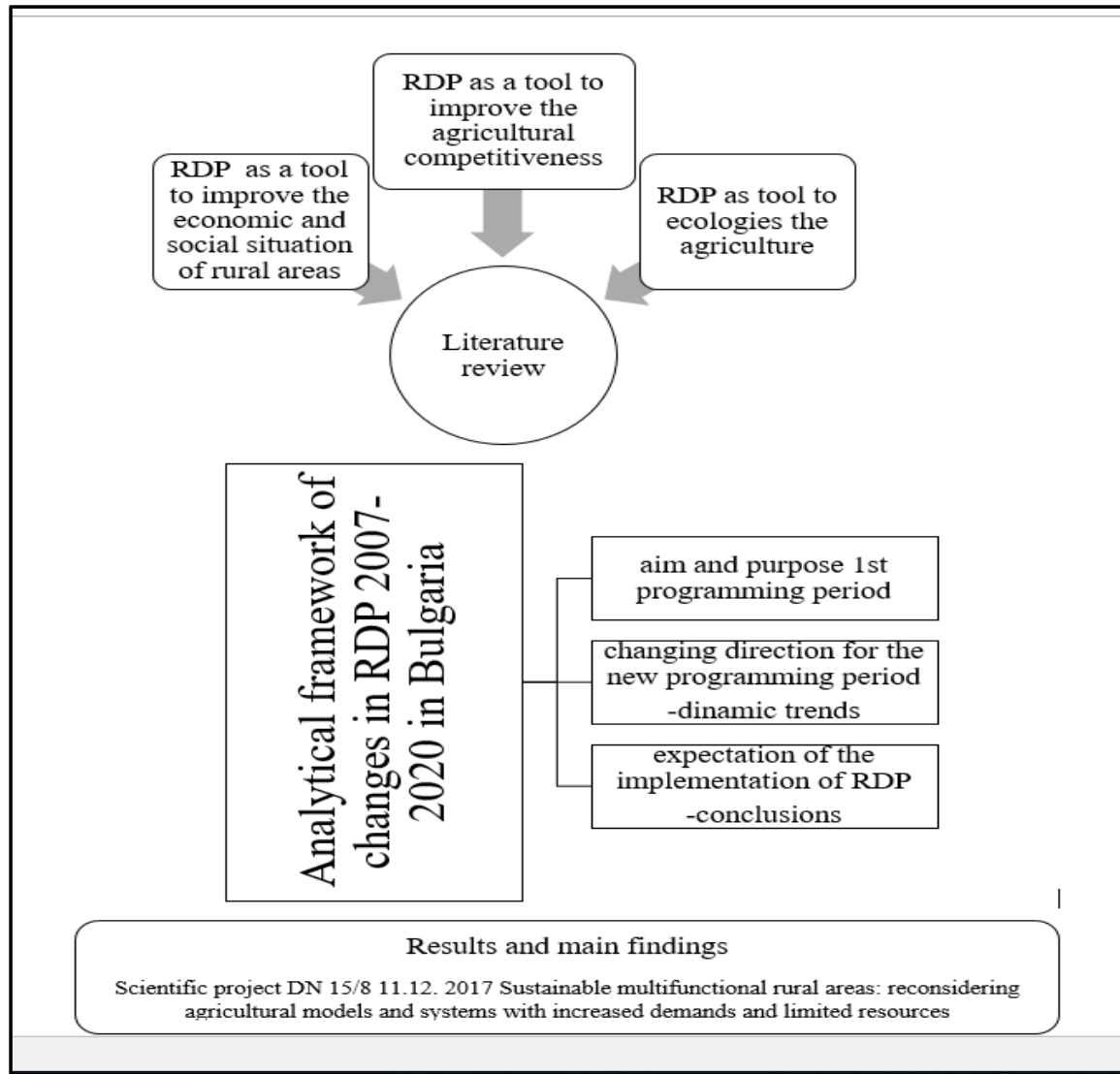
The main aim of the study is: to assess the impact of changes of RDP for achieving viability of rural areas in Bulgaria.



CONTENT:

- ▶ Methodological framework;
- ▶ Literature review of the role of the policy of RDP;
- ▶ Impact of the changes of RDP for reaching viability of rural areas;
 - ▶ Socio-economic development of Bulgaria
 - ▶ Changes in RDP 2007-2020 in Bulgaria;
 - ▶ Dynamics of RPD in Bulgaria 2007-2017;
 - ▶ Funds allocated for the period 2021-2027;
- ▶ Conclusions and policy recommendations for achieving viable rural areas.

Methodological framework



LITERATURE REVIEW OF THE ROLE OF THE POLICY OF RDP

RDP as a tool to improve the social situation of rural areas

- socio and cultural and service dimension (comuniti life, traditions, social infrastructure, cultural and leisure activities;
- attractiveness of rural areas;
- village renewal;
- off farm income;
- etc.

RDP as a tool to improve the agricultural competitiveness and economic results

- security of the income;
- decent revenue of agricultural activities;
- reducing the impact of agricultural risk;
- improved access to markets of inputs and outputs.
- etc.

RDP as tool to ecologies the agriculture

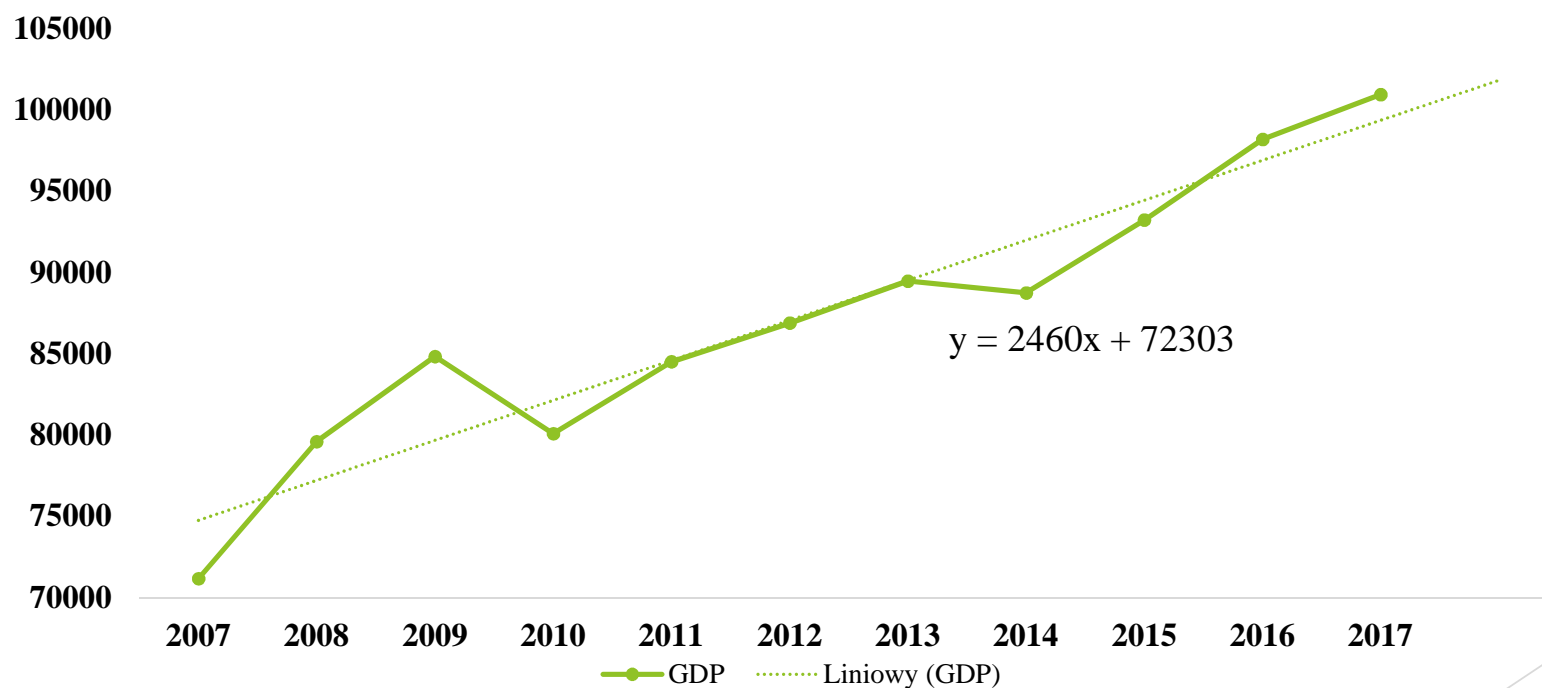
- conservation and upgrading the environment;
- protecting the environment;
- reducing pollutions from agricultural activities.
- biodiversity conservation;
- landscape protection
- etc.

LITERATURE REVIEW OF THE ROLE OF THE POLICY OF RDP

- ❖ The main focus of agricultural policy in many European countries continues to support prices and incomes, although there is a tendency to adopt a wide range of policy measures that directly address economic sustainability in rural areas or to ensure that they continue to contribute to the supply of resources from rural areas.
- ❖ Applied agricultural policies support production diversification in agriculture to achieve poverty reduction.
- ❖ As a result of applied agrarian policies and investment support, there is a positive impact on farm incomes and the environment as well as on enhancing environmental awareness among farmers.
- ❖ Agrarian policies have a positive impact on the diversification of agricultural activities in rural areas and rural landscapes.

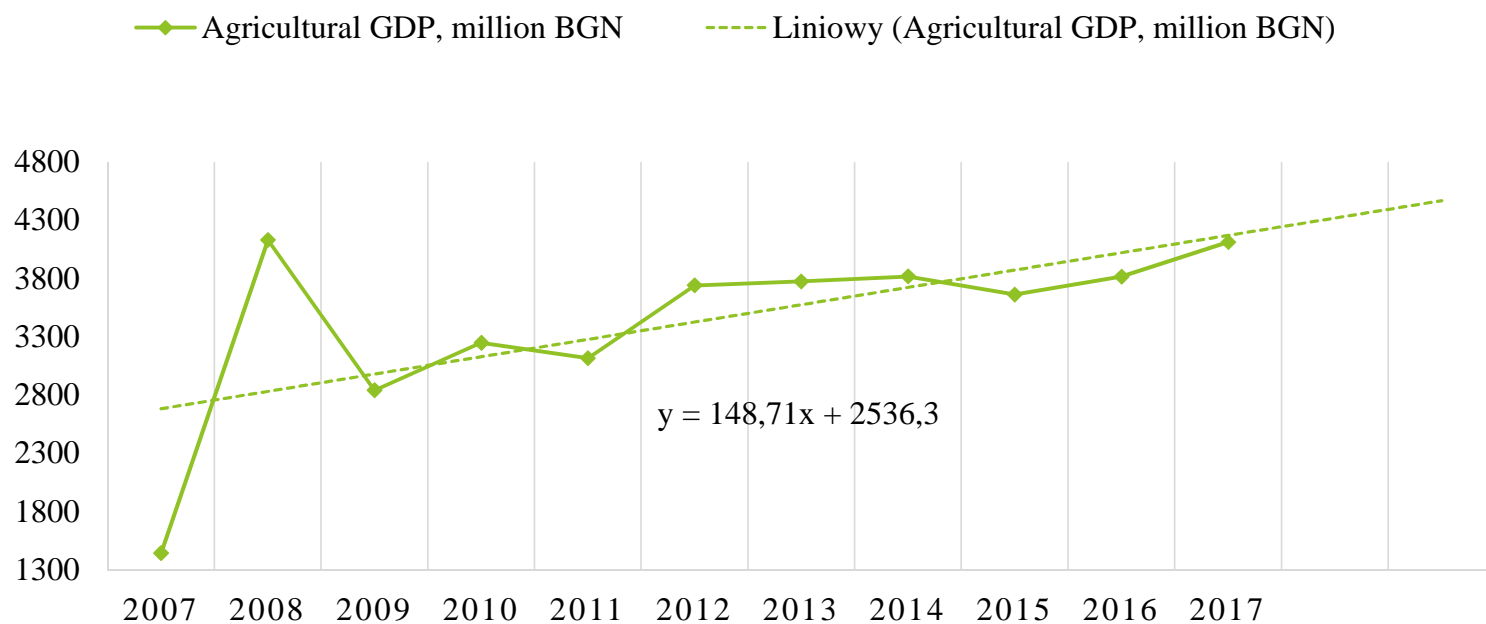
STATE AND DEVELOPMENT OF AGRICULTURAL SECTOR IN BULGARIAN ECONOMY

State and development of the national economy, macroeconomic framework



Source: NSI, 2007-2018

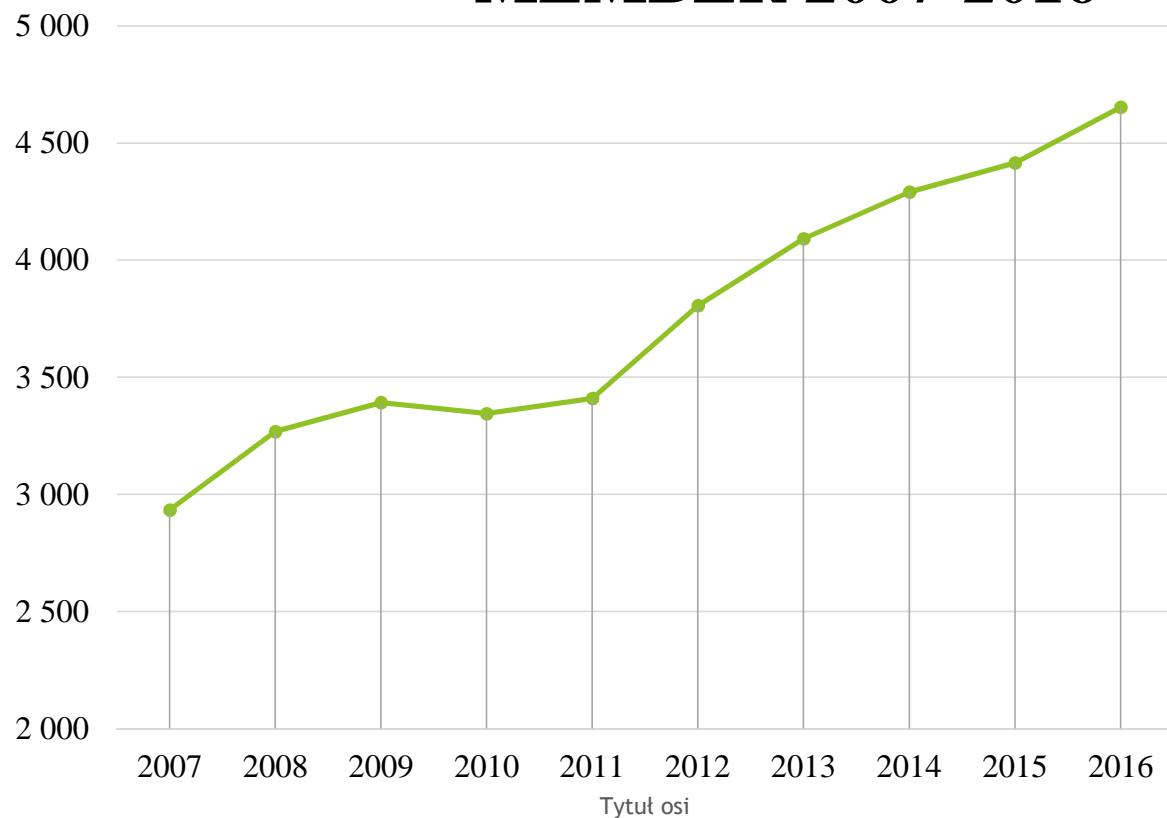
PLACE OF THE AGRICULTURAL SECTOR IN THE NATIONAL ECONOMY



Source: NSI, 2007-2018

Last 5 years the share of agricultural GDP according to other sectors is stable around 4.8%

AVERAGE ANNUAL INCOME PER HOUSEHOLD MEMBER 2007-2016



—● Average annual income per household member, BGN

Tytuł osi

MEASURES 2007-2013

111 Training, Information and Diffusion of Knowledge
112 Setting up of Young Farmers
114 Use by farmers and forest holders of advisory services (years 2010-2013)
121 Modernisation of agricultural holdings
122 Improving the economic value of the forests
123 Adding value to agricultural and forestry products
141 Semi-subsistence farming
142 Setting up producer groups
143 Provision of farm advisory and extension services in Bulgaria and Romania
211 Natural handicap payments to farmers in mountain areas
212 Payments to farmers in areas with handicaps, other than mountain areas
213 Natura 2000 payments and payments related to Directive 2000/60 / EC (WFD)
214 Agri-environmental payments
223 First afforestation of non-agricultural land
226 Restoring forestry potential and introducing prevention actions
311 Diversification into non-agricultural activities
312 Support for the creation and development of micro-enterprises
313 Encouragement of tourism activities
321 Basic services for the economy and rural population
322 Village renewal and development
41 Implementation of the local development strategies:
411 Improving the competitiveness of the agricultural and forestry sector
412 Improving the environment and the countryside
413 Quality of life in rural areas and diversification of the rural economy
421 Inter-territorial and trans-national cooperation
431 Running costs, acquisition of skills and animation
Technical assistance

MEASURES 2014-2020

Measure 1 Transfer of knowledge and awareness actions
Measure 2-Consultancy, farm management services and farm replacement
Measure 4- Investments in physical assets
Measure 6-farm development and business
Measure 7 Basic services and village renewal in rural areas
Measure 8 Investments in the development of forest areas and improve the viability of forests
Measure 9 Creating producer groups and organizations.
Measure 10 Agroecology and climate
Measure 11 Organic Farming.
Measure 12 Payments on "Natura 2000" and the Water Framework Directive.
Measure 13 Payments to areas facing natural or other specific constraints.
Measure 14 Animal Welfare.
Measure 15 Environmental services and climate in forestry and forest protection.
Measure 16 Collaboration.
Measure 17 Risk Management.
Measure 19 Leader
Measure 20 Technical Assistance.

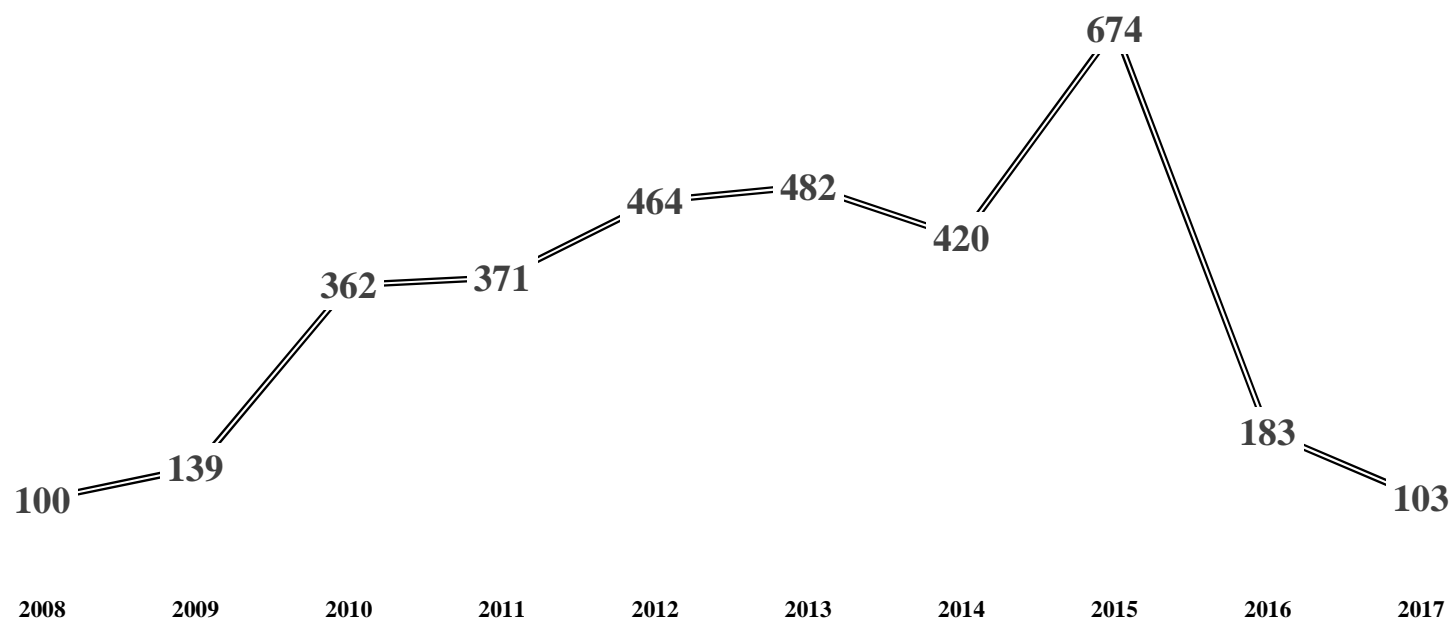
Assimilation of the RDP 2007-2013 by measures

| | Measure | Budget EAFRD | % Assimilation | Funds paid out of the EAFRD |
|------|---|---------------------------|----------------|-----------------------------|
| M111 | Training, Information and Diffusion of Knowledge | 7 424 000.00 € | 98.72% | 7 328 665.37 € |
| M112 | 112 Setting up of Young Farmers | 95 100 000.00 € | 97.08% | 92 325 515.39 € |
| M114 | 114 Use by farmers and forest holders of advisory services (years 2010-2013) | 81 000.00 € | 36.88% | 29 869.99 € |
| M121 | Modernisation of agricultural holdings | 433 366 038.00 € | 99.35% | 430 550 921.33 € |
| M122 | Improving the economic value of the forests | 445 000.00 € | 95.52% | 425 085.75 € |
| M123 | Adding value to agricultural and forestry products | 167 082 500.00 € | 101.04% | 168 818 773.38 € |
| M141 | Semi-subsistence farming | 36 116 000.00 € | 99.28% | 35 855 472.10 € |
| M142 | Setting up producer groups | 196 000.00 € | 48.64% | 95 334.52 € |
| M143 | Provision of farm advisory and extension services in Bulgaria and Romania | 4 819 468.00 € | 100.24% | 4 830 988.17 € |
| M211 | Natural handicap payments to farmers in mountain areas | 134 900 000.00 € | 99.88% | 134 741 648.07 € |
| M212 | Payments to farmers in areas with handicaps, other than mountain areas | 42 130 000.00 € | 99.91% | 42 091 238.97 € |
| M213 | 213 Natura 2000 payments and payments related to Directive 2000/60 / EC (WFD) | 40 780 000.00 € | 99.88% | 40 730 540.82 € |
| M214 | Agri-environmental payments | 379 300 000.00 € | 100.04% | 379 449 993.49 € |
| M223 | First afforestation of non-agricultural land | 6 450 000.00 € | 77.48% | 4 997 439.92 € |
| M226 | Restoring forestry potential and introducing prevention actions | 12 370 000.00 € | 101.58% | 12 565 878.11 € |
| M311 | Diversification into non-agricultural activities | 60 147 500.00 € | 97.22% | 58 473 897.87 € |
| M312 | Support for the creation and development of micro-enterprises | 88 630 000.00 € | 97.09% | 86 049 180.35 € |
| M313 | Encouragement of tourism activities | 19 150 000.00 € | 97.05% | 18 585 672.62 € |
| M321 | Basic services for the economy and rural population | 610 953 665.00 € | 97.84% | 597 771 631.97 € |
| M322 | Village renewal and development | 164 000 000.00 € | 98.63% | 161 760 905.68 € |
| M411 | Improving the competitiveness of the agricultural and forestry sector | 8 565 135.00 € | 99.34% | 8 508 713.14 € |
| M412 | Improving the environment and the countryside | 401 982.00 € | 100.76% | 405 027.26 € |
| M413 | Quality of life in rural areas and diversification of the rural economy | 22 832 884.00 € | 98.48% | 22 486 797.26 € |
| M421 | Inter-territorial and trans-national cooperation | 270 000.00 € | 90.62% | 244 682.30 € |
| M431 | Running costs, acquisition of skills and animation | 10 640 000.00 € | 99.99% | 10 638 673.59 € |
| M511 | Technical assistance | 31 300 000.00 € | 97.47% | 30 506 926.80 € |
| M611 | Supplements to direct payments | 123 386 000.00 € | 99.99% | 123 377 044.75 € |
| | Total | 2 500 837 172.00 € | 98.91% | 2 473 646 518.97 € |

Assimilation of the RDP 2014-2013 by measures

| | | Measure | Budget EAFRD | % Assimilation | Funds paid out of the EAFRD till 30.12.2016, in euro |
|----|-------|---|-------------------------|-----------------|--|
| 2 | 2.1.1 | Consultancy, farm management services and farm replacement | 1 414 435.01 € | 55.82% | 789 476.55 € |
| 4 | 4.1 | Support for investments in agricultural holdings | 160 429 966.25 € | 17.47% | 28 032 551.48 € |
| 4 | 4.2 | Support for investment in the development of agricultural products | 111 654 565.91 € | 1.98% | 2 213 828.47 € |
| 6 | 6.3 | Start-up support for the development of small farms. | 26 487 115.25 € | 17.33% | 4 589 903.52 € |
| 6 | 6.1 | Start-up support for young farmers | 35 208 977.91 € | 72.98% | 25 695 235.12 € |
| 8 | 8.1 | Investments in the development of forest areas and improve the viability of forests | 3 534 785.77 € | 5.50% | 194 402.41 € |
| 9 | | Creating producer groups and organizations | 3 587 458.84 € | 0.65% | 23 186.51 € |
| 10 | | Agroecology and climate | 85 647 817.77 € | 25.35% | 4 371 454.43 € |
| 10 | | Agroecology and climate | | | 17 342 957.20 € |
| 11 | | Organic Farming | 58 132 262.50 € | 18.97% | 11 029 729.95 € |
| 12 | 213 | Payments on "Natura 2000" and the Water Framework Directive | 47 092 626.04 € | 39.25% | 35 872.45 € |
| 12 | | Natura 2000 | | | 18 446 588.50 € |
| 13 | | Payments to areas facing natural or other specific constraints. | 93 161 938.85 € | 35.04% | 32 641 997.80 € |
| 19 | 19.1 | Leader | 2 193 372.53 € | 9.53% | 208 941.61 € |
| 20 | | Technical Assistance | 19 170 300.64 € | 16.22% | 3 108 539.83 € |
| | | TOTAL | 647 715 623.27 € | 22.96% * | 148 724 665.83 € |

Dynamic of RDP payments in Bulgaria 2007-2017 in Euro/mill



— Dynamic of RDP payments 2007-2017 in Euro/mill

Funds allocated to the Member States for the period 2021-2027 at current prices in million EUR

| Country | Direct payments | Markets | Rural areas | Total |
|---------|-----------------|---------|-------------|----------|
| BE | 3 399.2 | 3.0 | 470.2 | 3 872.4 |
| BG | 5 552.5 | 194.5 | 1 972.0 | 7 719.0 |
| CZ | 5 871.9 | 49.5 | 1 811.4 | 7 732.9 |
| DK | 5 922.9 | 2.1 | 530.7 | 6 455.6 |
| DE | 33 761.8 | 296.5 | 6 929.5 | 40 987.8 |
| EE | 1 243.3 | 1.0 | 615.1 | 1 859.4 |
| IE | 8 147.6 | 0.4 | 1 852.7 | 10 000.7 |
| EL | 14 255.9 | 440.0 | 3 567.1 | 18 263.1 |
| ES | 33 481.4 | 3 287.8 | 7 008.4 | 43 777.6 |
| FR | 50 034.5 | 3 809.2 | 8 464.8 | 62 308.6 |
| HR | 2 489.0 | 86.3 | 1 969.4 | 4 544.6 |
| IT | 24 921.3 | 2 545.5 | 8 892.2 | 36 359.0 |
| CY | 327.3 | 32.4 | 111.9 | 471.6 |
| LV | 2 218.7 | 2.3 | 821.2 | 3 042.1 |
| LT | 3 770.5 | 4.2 | 1 366.3 | 5 140.9 |
| LU | 224.9 | 0.2 | 86.0 | 311.2 |
| HU | 8 538.4 | 225.7 | 2 913.4 | 11 677.5 |
| MT | 31.6 | 0.1 | 85.5 | 117.1 |
| NL | 4 927.1 | 2.1 | 512.1 | 5 441.2 |
| AT | 4 653.7 | 102.4 | 3 363.3 | 8 119.4 |
| PL | 21 239.2 | 35.2 | 9 225.2 | 30 499.6 |
| PT | 4 214.4 | 1 168.7 | 3 452.5 | 8 835.6 |
| RO | 13 371.8 | 363.5 | 6 758.5 | 20 493.8 |
| SI | 903.4 | 38.5 | 715.7 | 1 657.6 |
| SK | 2 753.4 | 41.2 | 1 593.8 | 4 388.4 |
| FIN | 3 567.0 | 1.4 | 2 044.1 | 5 612.5 |

Conclusions and policy recommendations for achieving viable rural areas

- ❖ In the new programming period and the new framework some simplifications of the measures have been introduced in terms of their number and flexibility.
- ❖ Based on the data of the statistics and the conclusions of the literary review it can be concluded that RDP has contributed and helped to:
 - increase labor productivity;
 - better continuity and rejuvenation of the agrarian sector;
 - creating sustainable employment;
 - increasing mechanization in the sector;
 - renovation of the machinery-tractor park;
 - implementation of innovation;
 - increase of areas and products with organic production;
 - improved infrastructure in rural areas;
- ❖ The effects of the program are also reflected in an improved quality of life in rural areas.

Conclusions and policy recommendations for achieving viable rural areas

- ❖ Future policy should follow the line to reach:
 - rejuvenating the sector;
 - decent income from agricultural activities;
 - improving the prestige of the sector;
 - implementing policies according to the new model of farming activities aimed at environmental protection;
 - supporting and promoting diversification and multifunctional production activities;
 - helping to increase knowledge in the field of agriculture and the application of innovative practices;
 - flexibility in addressing measures to move them into ones that would deliver a sustainable outcome for the whole sector and improve the quality of life in rural areas.

Thank you for your attention!

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