

BULGARIA

Rural Development Programme 2007-2013

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Other useful links:

Rural Development Programme (RDP):
<http://www.mzh.government.bg/Article.aspx?lang=2&rmid=432&id=432&lmid=0>
National Strategy Plan (NSP):
http://www.mzh.government.bg/Articles/432/Files/NSRDP_draft633518227577343750.pdf

Climate Change and Renewable Energy issues in 2007-2013 RDP

Climate change (CC) is fundamental to the context for agriculture and policy making. EU agriculture must play an important role in mitigating this phenomenon by curbing greenhouse gas (GHG) emissions; at the same time it needs to adapt to the expected climatic adversities which will have serious consequences on production processes. Rural development offers a range of possibilities to support farming practices and investments that can contribute to climate change *mitigation* efforts (including the increase of the use of *Renewable Energy* (RE) resources) and additionally effect *adaptation* benefits. CC challenges have been well recognized in the baseline analysis of the 2007-2013 EU Rural Development Programmes (RDP) and addressed in their strategies. Following the Health Check (HC) of the Common Agricultural Policy (CAP), the 'new challenges' of the RD policy include 'climate change' and 'renewable energy' for which an additional budget of approximately 1 billion EUR⁽¹⁾ have been made available for Member States (MS) to spend on this issues⁽²⁾. As a consequence, the operations related to these newly introduced Community priorities have been further strengthened in the RDPs.

⁽¹⁾ 19.8% of the total additional funds released.

⁽²⁾ The budget allocated to the 'new challenges' includes the funds released by the HC of the CAP (including voluntary modulation and transfers according to Art. 136 of Regulation (EC) No. 73/2009) and the European Economic Recovery Package (EERP).

Introduction - overview of the Bulgarian RDP

All three aspects of climate change (mitigation, adaptation and the potential for renewable energies) are addressed by the baseline analysis provided in the Bulgaria RDP. These three aspects have been considered and correspondingly addressed in the RDP strategy and within the implemented measures.

In order to fulfil its national obligations under the Kyoto Protocol, Bulgaria prepared its National Action Plan for combating climate change (adopted in 2000). Two basic groups of measures were assigned to the Ministry of Agriculture and Food in the Plan: the first group is aimed at the adaptation of the agricultural sector to climate change and the second one aims to decrease greenhouse gas emissions from agricultural origins.

The National Strategy Plan for Rural Development of Bulgaria defines 3 objectives for the period 2007-2013, including protection of the natural resources and environment of rural areas.

Renewable energies and actions to improve water management and adapt to an expected future decrease in water resources due to climate change are the topics most extensively addressed in the rural development strategies. Solving problems of high emissions is part of the task of implementation of alternative energy sources, with biomass being the most significant renewable energy source. The RDP envisages better use of agriculture and forest by-products and a primary objective is to support renewable energy generating facilities and support infrastructure investment for collection and transport of these biomass resources.

The main facilitation actions related to climate change and renewable energies are under axis 1 improved human potential through the diffusion of knowledge and development of new skills and through support to investments for energy saving or production of renewable energy from agriculture and forestry.

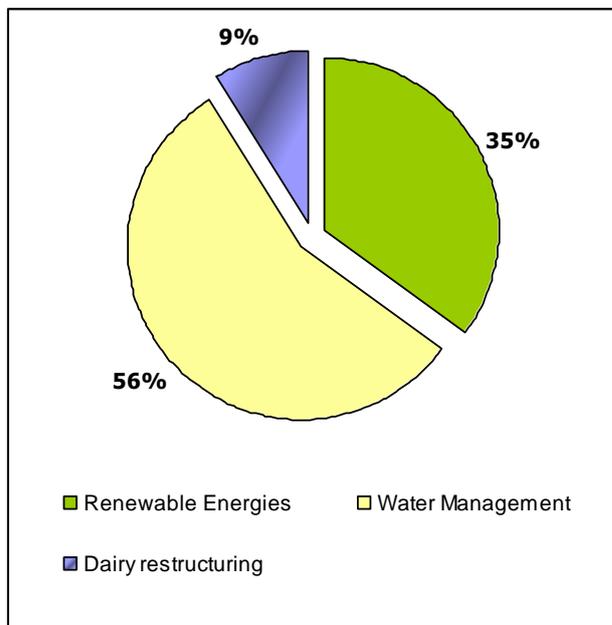
The environmental objectives set under axis 2, include actions that conserve biodiversity, promote sustainable use of land and natural resources, preserve water resources and combat climate change.

Axis 3 measures, such as basic services for the economy and rural population and village renewal and development, will provide local communities with the opportunity to identify actions that can be undertaken to deal with the effects of climate change. Production of renewable energy and investments for improvement of energy efficiency in public infrastructures in rural areas are also promoted under axis 3.

In the RDP, climate change adaptation is addressed mainly through the forestry measures as well as by some measures for adaptation in all axes. Under axis 1, improved water management is addressed through investments in water saving technologies and water storage systems. Also, farmers and food processing companies are eligible to receive investments that will help them adapt to climate change. The processing industry will be able to use the available measures for capital expenditure on buildings and new equipment. Axis 2 measures and especially the HNV farmland scheme and the Soil and Water package within the agri-environmental measures which aim respectively to maintain extensive grassland management systems, and to support agricultural production methods which protect and improve water and soil quality and will help adaptation to climate change. Axis 3 measures, also support development and use of RE, and measures such as basic services for the economy and rural population and village renewal and development, will provide local communities the opportunity to identify actions that can be undertaken to deal with the effects of climate change. For example, support is provided to replace or rehabilitate out-dated water and waste water infrastructure in rural municipalities, and so to reduce the currently very high (average 60%) leakage rates when water is transported to final consumers.

The RDP aims to combat climate change through two main activities: augmentation of the carbon sequestration and substitution of fossil fuels and decrease in the production of CO₂.

Allocation of the additional resources per type of priority



Bulgaria's share of this additional funding, coming from the EERP in 2009 and 2010, is €33.15 million (1.3% increase of the initial €2.6 billion EAFRD allocation). Bulgaria does not receive any additional financing under the Health Check, as it will not be affected by modulation in the 2007-2013 period.

Bulgaria has chosen to allocate the EERP resources on three of the new challenges identified in Article 16a(1) of Regulation (EC) No. 1698/2005, namely: water management (56%), renewable energy (35%) and dairy sector restructuring (9%).

Following these changes, additional financial support to the RDP objectives corresponding to water management

(+18,560,936 EUR, 56%), renewable energy (+11,599,064 EUR, 35%) and dairy restructuring (+2,990,000 EUR, 9%) has been enhanced for the period 2010-2013. Part of these funds will increase financial support available for existing actions included in the RDP addressing directly or indirectly CC and promoting RE.

The additional funding concerned with water management affected measures 121 (modernisation of agricultural holdings), 123 (adding value) and 321 (basic services). Measures 121 and 123 are also reinforced in order to promote renewable energies such as measures 311 (diversification) and 312 (micro-enterprises).

Not allocating EERP funds to the other new challenges is explained by the already existing allocations under axis 2 and reserved budgets for certain types of on-farm investments under axis 1 where existing available budgets were already considered sufficient. The RDP analysis is updated, providing information concerning in particular water consumption, production of renewable energy and the situation in the dairy sector justifying the priorities chosen. BG also took the opportunity (outside its EERP envelope) to increase aid intensities by 10% for projects targeting the new challenges, to help promote uptake.

Full details of the overall RDP budget allocation can be found in the RDP fiche for Bulgaria that is available at:

http://enrd.ec.europa.eu/rural-development-policy/country-information/rural-development-policy-fiches/en/rural-development-policy-fiches_home_en.cfm

Mitigation

Activities aimed at reducing agricultural greenhouse gases emissions

The National Action Plan to combat climate change is under implementation. The Bulgarian RDP provides support for a range of activities which could contribute to reducing agricultural emissions. Following the HC revision and the adoption of the EERP, existing operations for environmental protection and sustainable agriculture have been reinforced, which enhance the uptake of the priority of climate change CC mitigation. The listed RDP activities will help promote the use of more sustainable agricultural practices and will in case of proper direction contribute to the maintenance of good status of the environment and climate change protection in rural areas.

Under axis 1, the main important measure concerning mitigation is **measure 121** (modernization of agricultural holdings) which, besides contributing to the improvement of water management and manure storage, contributes to better use of biomass for renewable energy generation and promotes energy saving projects. **Measure 123** (adding value to agricultural and forestry products) calls for bio-energy utilization, aiming to reducing agricultural greenhouse gases emissions.

In axis 2, **measure 214** (agri-environmental payments) is a usual wide-scope RDP component which aims to improve environmental conditions and to help maintain traditional extensive grassland farming systems. **Measures 223** and **226** (first afforestation of non-agricultural land and restoring forestry potential and introducing prevention actions) concerning forest land are more directly involved in climate change mitigation. **Measures 211** and **212** (natural handicap payments to farmers in mountain areas and payments to farmers in areas with handicaps, other than mountain areas) aim to provide minor support to achieve climate targets.

In axis 3, **measure 311** (diversification into non-agricultural activities) and **measure 312** (support for the creation and development of micro-enterprises) also provide important opportunity to include climate change mitigation actions, by promoting RE supply, and uptake in municipal infrastructures under measure 321.

Adaptation

Prevention of, and coping with, potential impacts of climate change on agriculture

In terms of adaptation to address the potential impacts of climate change, the forestry measures are one of the main elements in the RDP strategy for addressing the CC-adaptation priority. However, there are a range of specific measures set out for maintenance of the environment and landscape, concerning specially with water and soil protection, such as restoration after natural disasters etc.

In axis 1, under **measure 111** (training, information and diffusion of knowledge) the Bulgarian RDP foresees the statutory management requirements and training for good agricultural and environmental conditions through the diffusion of knowledge and development of new skills.

Measure 121 (modernization of agricultural holdings), to improve the protection of the environment defines that any project applications concerning investments which would increase the capacity or water consumption of irrigation networks on farms must be controlled by the Ministry of Environment and Water and that means improvement of water management and manure storage.

In axis 2 **measure 214** (agri-environmental payments) will implement the National Agri-environmental Programme (NAEP). The NAEP aims to promote the introduction and use of more environmentally-friendly agricultural production methods. It provides agri-environmental

payments for farmers that voluntarily manage their land in a manner that is beneficial for the environment and therefore provide public goods for the whole of society.

Measure 223 (first afforestation of non-agricultural land) contributes to the reduction of soil erosion, avoiding land marginalization and improving the water balance of supported and neighbouring areas by increasing the forest cover using native tree species. The afforestation of non-agricultural lands will take place in north lowlands, around the river Maritsa.

The main objective of **measure 226** is combat forest fires - one of the biggest natural hazards of Bulgaria. This measure also addresses other natural disasters such as those caused by insects (e.g. bark beetles).

In axis 3 adaptation to CC is addressed in **measure 321** (basic services for the economy and rural population). The objective of this measure is to improve living conditions in rural areas by improving access to quality water and sewage infrastructure, including investments in infrastructure and equipment aiming at construction, reconstruction or rehabilitation of the water supply system and related facilities.

Main RDP measures which contribute to address CC mitigation/adaptation issues

Axis/Measure	Description	Type of Operation	Potential Effects
Axis 1			
Measure 121	Modernisation of agricultural holdings	<p>Biogas production using organic waste (from farm and local production)</p> <p>Perennial energy crops (short rotation coppice and herbaceous grasses)</p> <p>Processing of agricultural/forest biomass for renewable energy</p> <p>Water savings technologies (e.g. efficient irrigation systems)</p> <p>Water storage (including water overflow areas)</p>	<p>Substitution of fossil fuels, reduction of methane (CH₄)</p> <p>Substitution of fossil fuels, carbon sequestration, reduction of nitrous oxide (N₂O)</p> <p>Substitution of fossil fuels</p> <p>Improvement of the capacity to use water more efficiently</p> <p>Improvement of the capacity to use and store water</p>
Measure 123	Adding value to agricultural and forestry products	<p>Processing of agricultural/forest biomass for renewable energy</p> <p>Installations for waste water treatment on farms and in processing and marketing</p>	<p>Substitution of fossil fuels</p> <p>Improvement of the capacity to use water more efficiently</p>

Axis/Measure	Description	Type of Operation	Potential Effects
Measure 111	Investments in agricultural holdings	Basic training on general environmental problems in the agricultural/forestry sector	Adequate levels of technical and economic knowledge and skills in management and business, new technologies, sustainable management of natural resources including requirements for cross compliance, renewable energy sources and organic production.
Axis 2			
Measure 214	Agri-environmental Payments	<p>Increase the awareness and knowledge of farmers about the impact (positive and negative) of agricultural practices upon the environment</p> <p>Promote the use of environmental planning in farm management practices</p> <p>Support the development of organic farming as an environmentally-friendly method of agricultural production with economic potential</p> <p>Maintain biodiversity by encouraging the conservation of HNV farmland</p> <p>Conserve soil and water resources, including in those areas affected by severe erosion and at risk of high nutrient losses (e.g. Nitrate Vulnerable Zones) or other forms of agricultural pollution</p>	<p>Soil and water protection</p> <p>Restoration and maintenance of high nature value (HNV) farmlands</p> <p>Preservation of local breeds in danger of being lost for farming</p>
Measure 223	First afforestation of non-agricultural land	<p>Enhance the forest cover in order to contribute to climate change mitigation and to support natural biodiversity.</p> <p>Improve the water balance in the supported afforested and neighbouring areas</p>	<p>Sequestration and reduction of nitrous oxide (N₂O)</p> <p>Diminish soil erosion and avoid land marginalization</p>

Axis/Measure	Description	Type of Operation	Potential Effects
Measure 226	Restoring forestry potential and introducing prevention actions	<p>Diversification of vegetation structure by transforming coniferous plantations into broadleaved or mixed stands</p> <p>Establishing and improving of fire protection facilities – silvicultural breaks, fire precaution cuttings, mineralised strips etc.</p> <p>Purchasing of equipment for anti-fire depots</p> <p>Establishing and improving of landing places for helicopters</p> <p>Construction and improving of water points for fire fighting</p> <p>Construction and improving of fixed fire monitoring points, purchasing of monitoring facilities and communication equipment</p> <p>Construction and improving of forest roads in areas with high fire risk</p>	<p>Restoring forests damaged by forest fires, and other natural disasters</p> <p>Improvement of prevention actions against forest fires</p>
Axis 3			
Measure 311	Diversification into non-agricultural activities	Installations/infrastructure for renewable energy using biomass and other renewable energy sources (solar and wind power, geothermal)	Substitution of fossil fuels
Measure 312	Support for the creation and development of micro-enterprises	Installations/infrastructure for renewable energy using biomass and other renewable energy sources (solar and wind power, geothermal)	Substitution of fossil fuels
Measure 321	Basic Services for the Economy and Rural Population	Construction/reconstruction/rehabilitation of the water supply system and related facilities	Improvement of the capacity to use water more efficiently

Renewable energies

Electricity, heating and transport fuels produced from biomass (such as biofuels, biogas) and other renewable sources (solar, wind, geothermal).

The existing Bulgarian RDP already provided support to promote production of renewable energy, which was reinforced by additional EERP funds. The additional funds will be used mainly for production of biogas from organic waste (from farm and local production) and for the production of electricity/heating via processing biomass to meet the own energy needs of the farm or the processing enterprise (axis 1). Production of energy from other renewable energy sources (RES) (solar, wind, water etc) or from biomass (for sale) will be supported under axis 3. A positive Environmental Impact Assessment will be necessary for RES projects (except for cases when this is not required by the BG Environment Protection Act). All projects in Natura 2000 areas will be checked before approval for compliance with the national legislation on biodiversity.

The key measures for supporting renewable energies under axis 1 are **measure 121** (modernisation of agricultural holdings), **measure 122** (improving the economic value of forests) and **measure 123** (adding value to agricultural and forestry products). These measures support investments in buildings/equipment whose purpose is to improve of energy efficiency, investments in biogas production using organic waste from the agricultural activities of the holding and local production and investments for production of electricity and/or heating through processing of biomass including construction/reconstruction of biomass storehouses (to meet the own energy needs of agricultural holding for its agricultural activities).

The use and production of agriculture and forestry have growing importance in the development of renewable energy. This way, under axis 2, **measure 223** (first afforestation of non-agricultural land) promotes the establishment of new forests on non-agricultural land, so promoting increased quantities of raw materials for bio-energy and thus help to promote climate change mitigation, as well as increased production of renewable energy.

In axis 3, **measure 311** (diversification into non-agricultural activities) and **measure 312** (support for the creation and development of micro-enterprises) supports farmers and micro-enterprise development in the renewable energy sector. In both measures the aid intensity has increased from 70% to 80% for investments in buildings and equipment for production and sale of bio-energy regarding the processing of raw materials coming from the own agricultural holding and energy from other renewable energy sources.

Finally, **measure 321** (basic services for the economy and rural population) supports investments in renewable energies, including equipping public buildings for use of energy from RE sources and setting-up public distribution networks for biofuels or for heat or power from biomass or other RE sources.

Main implemented RDP measures related to the development of RE sources

Axis/Measure	Description	Type of operation	Potential effects
Axis 1			
121	Modernisation of agricultural holdings	Supports investments in buildings/equipment whose purpose is to improve energy efficiency Investments for production of biogas or electricity/heat for farm own-use from biomass Plantation of short-rotation coppice and other fast-growing tree species for RE production	Increasing implementation of renewable natural resources and improving the effectiveness of used resources
123	Adding value to agricultural and forestry products	Supports investments in buildings/equipment whose purpose is to improve energy efficiency	Increase the share of energy derived from RES
Axis 2			
223	Adding value to agricultural and forestry products	To promote the establishment of new forests on non-agricultural land	Increase the production of renewable energy through quantities of raw materials for bio-energy. Climate change mitigation
Axis 3			
311	Diversification in non-agricultural activities	Investments in buildings and equipment for production and sale of bio-energy (from agricultural holdings) and energy (from other renewable energy sources)	Increase the production of sustainable energy at a local level; generate additional non-agricultural employment opportunities and income while at the same time reducing the usage of fossil fuels
312	Support for the creation and development of micro-enterprises		