

HUNGARY

Basic Information:

The Hungarian Rural Development Programme (RDP) has budgeted for 2007-2013 a total public expenditure of €5.3 billion (European Agricultural Fund for Rural Development and Member State contribution). At the end of 2013, €3.5 billion were spent out of the allocated budget (see figure 1).

Axis 1 – (Improving the competitiveness of the agricultural and forestry sector), has utilised 66% of its allocated budget.

Axis 2 – (Improving the environment and the countryside), has spent 77% of its programmed expenditure.

Axis 3 – (Improving the quality of life in rural areas), has utilised 52% of its budget.

Axis 4 – (Leader) has utilised approximately 33% of the programmed expenditure.



Figure 1: Total Public Expenditure per Axis in Hungary from 2007 to 2013



Axis 1 - Improving the competitiveness of the agricultural and forestry sector

Figure 2: Axis 1 - Total Public expenditure per measure in million EURO (2007-2013)

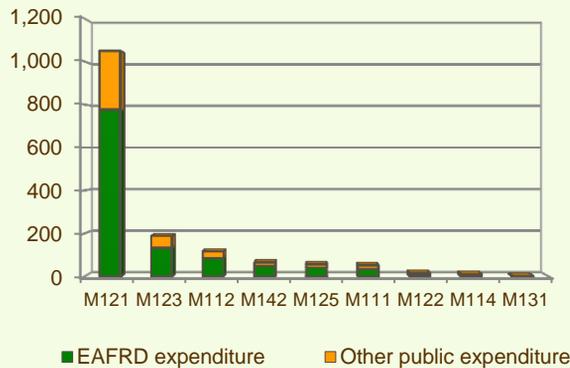
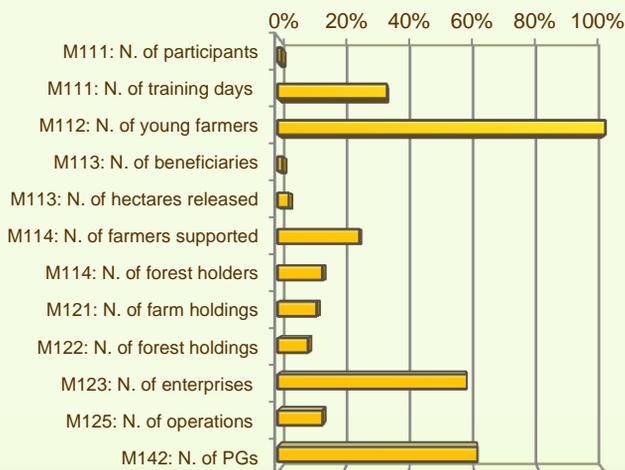


Figure 3: Axis 1 - Progress against 2007-2013 output targets in Hungary (2007-2012)



Axis 1 places an emphasis on the Modernisation of agricultural holdings (Measure 121), allocating to this measure nearly 68% of the overall budgeted Axis funds.

Analysis of the expenditure rates per measure up to 2013 shows that:

- ❖ Setting up of young farmers (M112) has spent 99% of its budget.
- ❖ Producer groups (M142) have utilised 91% of its allocated budget.
- ❖ Meeting standards based on EU legislation (M131) and Vocational training and information actions (M111) have spent around 69% of their programmed expenditure.
- ❖ The following measures have spent between 55% and 65% programmed expenditure:
 - Modernisation of agricultural holdings (M121), 65%
 - Improvement of the economic value of forests (M122), 62%
 - Infrastructure related to the development and adaptation of agriculture (M125), 59% and
 - Adding value to agricultural and forestry products (M123), 57%.
- ❖ The Use of advisory services (M114) has utilised 51% of its programmed expenditure.
- ❖ For Semi-subsistence farming (M141) and Early retirement (M113), less than 15% of their expenditure have been spent up to the end of 2013.

Figure 3 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

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Axis 2 - Improving the environment and the countryside

Axis 2 focuses on Agri-environment payments (M214) and First afforestation of agricultural land (M221). The two measures represent the majority of Axis 2 expenditure (see figure 4). Together they have been allocated more than 26% of the total public budget programmed in the Hungarian RDP for 2007-2013.

- ❖ The Natura 2000 payments and payments linked to Directive 2000/60/EC (M213), has spent 95% of its allocated budget.
- ❖ The Payments to farmers in areas with handicaps, other than mountain areas (M212) measure has utilised 90% of its programmed budget.
- ❖ Agri-environment payments (M214) has spent around 87% of its allocated budget.
- ❖ Four measures have utilised between 45-65% of their allocated budget, namely:
 - Animal welfare payments (M215), 63%,
 - First afforestation of agricultural land (M221), 58%,
 - Non-productive investments – agriculture (M216), 50% and
 - Natura 2000 Payments (M224), 46%.
- ❖ The measures on Restoring forestry potential and introducing prevention actions (M226) and First establishment of agroforestry systems on agricultural land (M222) have spent around 20% and 25% of their budgets.
- ❖ Three measures (M223, M225, M227) had recorded expenditure of less than 15% up to the end of 2013.

Figure 5 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

Figure 4: Axis 2 - Total Public expenditure per measure in million EURO (2007-2013)

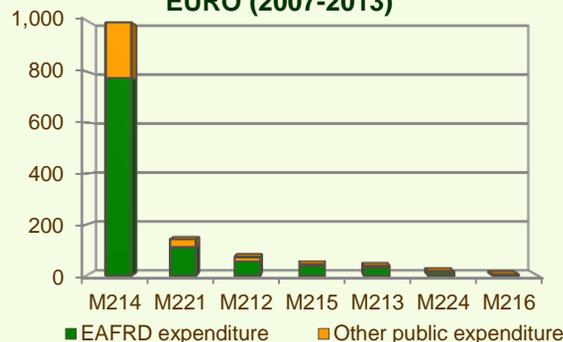
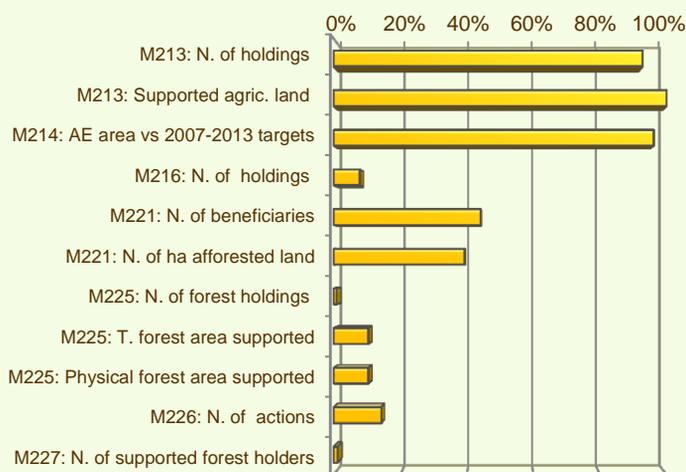


Figure 5: Axis 2 - Progress against 2007-2013 output targets in Hungary (2007-2012)



Measure 225 project example: Close to nature forest management in the Bakony mountains / Hungary

The 10 years project aims at strengthening the competitiveness of the forestry sector in the hardwood forests in Hungary's Bakony mountains. Around 1,000 ha were managed in small separate holdings and the income obtained was insufficient for purchasing new and nature-friendly machinery, leading to long-term deterioration of the forest. The project covered the costs for payments to forest owners, professional staff and training, IT equipment, services and databases (forest stand data, cadastral records) and for modern logging tools. Early results of the project consist in a more favorable perception of forest owners, modernisation of forestry machinery, and the experience of implementing an unfamiliar management regime. Less damage in the forest ecosystem is caused after using modern technology of timber extraction and transportation.

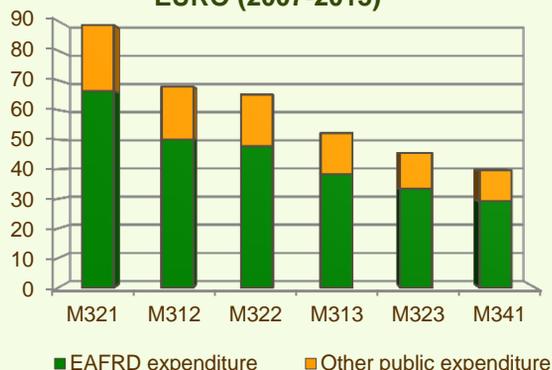
The cost of the project consist in €1,568,988 over the 10 years for selective felling and €1,494,000 for nature-friendly transportation.

Link: http://enrd.ec.europa.eu/policy-in-action/rdp_view/en/view_projects_en.cfm?action=detail&backfuse=jsview&postcard_id=8580

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Axis 3 - Quality of life in rural areas and diversification of the rural economy

Figure 6: Axis 3 - Total Public expenditure per measure in million EURO (2007-2013)



Axis 3 of the Hungarian RDP focuses on Basic services for the economy and rural population (M321), Support for business creation and development (M312) and Encouragement of tourism activities (M313) which together represent 60% of the Axis budget and 58% of the actual total public expenditure (see figure 6).

When comparing the expenditure rates per measure up to 2013 it is observed that:

- ❖ Skills acquisition and animation (M341) has spent nearly 97% of its planned allocation.
- ❖ Four measures have spent between 50% and 65% of their programmed budgets:
 - Basic services for the economy and rural population (M321), 64%,
 - Village renewal and development (M322), 58%,
 - Conservation and upgrading of the rural heritage (M323), 56% and
 - Support for business creation and development (M312), 50%.
- ❖ Encouragement of tourism activities (M313) has utilised around 39% of its planned allocation.
- ❖ Finally, for Diversification into non-agricultural activities (M311), has spent 4% of its allocated budget up to the end of 2013.

Figure 7: Axis 3 - Progress against 2007-2013 output targets in Hungary (2007-2012)

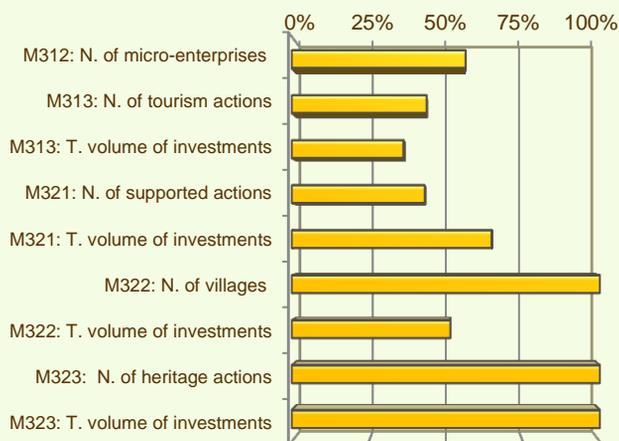


Figure 7 provides an indication of the achieved outputs up to 2012 in comparison to the output targets for 2007-2013.

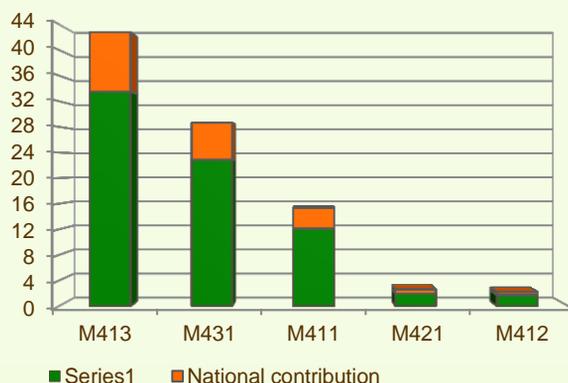
Axis 4 - Leader

The Leader Axis in the Hungarian RDP has allocated budget of €276 million out of which €92 million have been spent by 2013. Within the Axis, emphasis has been given to the Quality of life and diversification measure (M413) which has been allocated the largest share of funds.

When comparing expenditure per measure up to 2013 it is observed that:

- ❖ Running the LAG, skills acquisition, animation (M431) has the largest total public expenditure rate, having used around 66% of its planned allocation (figure 8).

Figure 8: Axis 4 - Total Public expenditure per measure in million EURO (2007-2013)



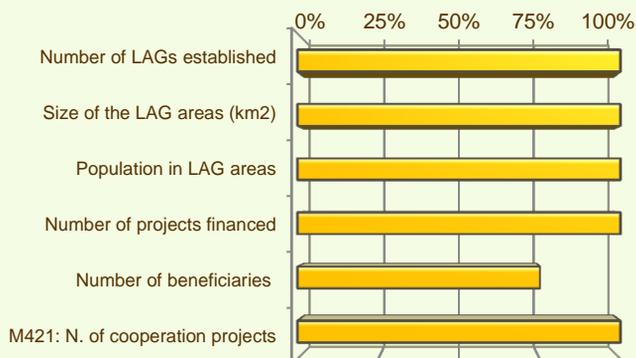
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Axis 4 - Leader

- ❖ The measures on Competitiveness (M411) and Quality of life/diversification (M413) have utilized each 30% and 32% of their planned expenditures.
- ❖ The remaining two four measures (M412, M421) have used around 10% of their allocated budgets up to the end of 2013.

Figure 9 provides an indication of the achieved outputs up to 2011 in comparison to the output targets for 2007-2013.

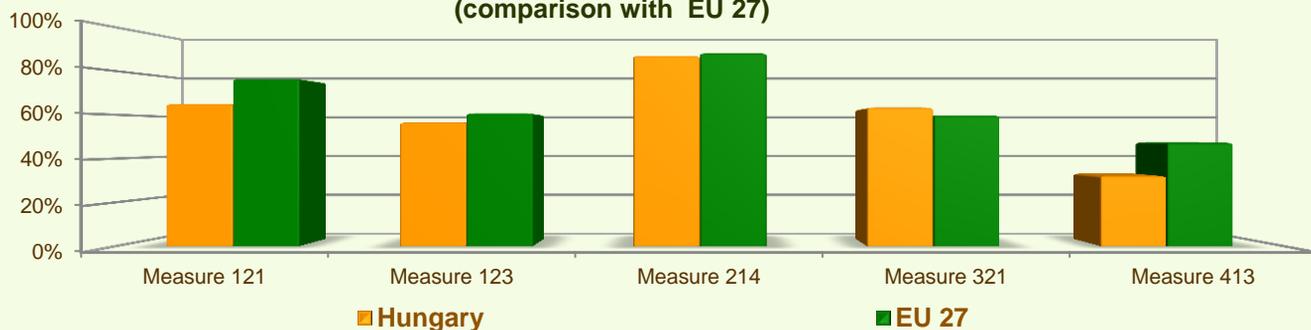
Figure 9: Axis 4 - Progress against 2007-2013 output targets in Hungary (2007-2012)



Summary

- ✓ Within the seven years of its implementation, the Hungarian RDP has utilised about 67% (see figure 10) of the total public expenditure planned for the current Programming Period (including post Health Check and the European Economic Recovery Package modifications).
- ✓ Modernisation of agricultural holdings (M121) is the measure with the highest allocated budget in the Hungarian RDP. Up to 2013, it has utilised 65% of its available budget and represents 30% of the total public expenditure of the programme.
- ✓ Agri-environment payments (M214) has the second largest budget in the Hungarian RDP and the utilised expenditure is 87% of its allocated funds. M214 represents 28% of the total public expenditure of the programme.
- ✓ The third largest measure budget is for Adding value to agricultural and forestry products (M123) which has used almost 57% of its programmed total public expenditure and represents 5% of the total public expenditure of the programme.

Figure 10: Progress of total public expenditure up to 2013, main measures (comparison with EU 27)



Source of the data: 1) Programmed expenditures 2007-2013: RDP budget allocation following Health Check revision (December 2013); 2) Expenditures 2007-2013: DG AGRI; 3) Output indicators: monitoring tables submitted by Managing Authorities along with the 2008, 2009, 2010, 2011, 2012 and 2013 Annual Progress Reports. Data referring to programming years 2007 to 2012. Only commitments made from year 2007 onwards are considered.; 4) Output targets 2007-2013: DG AGRI

For further detailed information on financial / physical and output indicators data please refer to the dedicated ENRD website section on Monitoring Indicators.