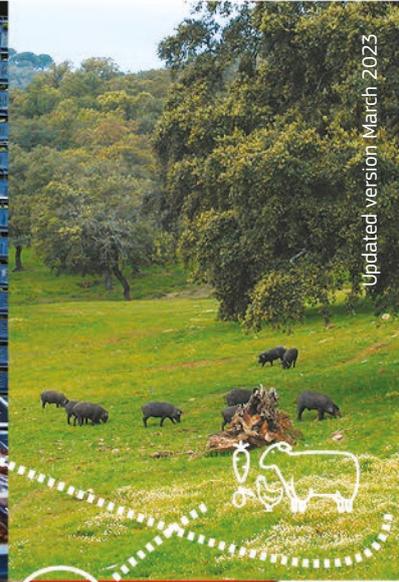




European
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At a glance: **BULGARIA'S** CAP STRATEGIC PLAN



CAP Strategic Plans support the transition towards a smart, sustainable, competitive, resilient and diversified agricultural sector, ensuring long-term food security. They also contribute to climate action, the protection of natural resources and the preservation/enhancement of biodiversity, as well as strengthen the socio-economic fabric of rural areas.

The CAP Plans support a wide range of interventions, addressing the specific needs of Member States and their territories. Designed in line with a new result- and performance-oriented approach, they aim to deliver tangible results in relation to EU-level CAP specific objectives, while contributing to the European Green Deal.

For the first time, each CAP Plan defines a strategy covering all the main CAP funded instruments: direct payments, support for rural development and interventions specific to certain market sectors.

The needs of rural areas will also be addressed by other EU instruments such as the Recovery and Resilience Facility (RRF) or the European Structural and Investment Funds (ESIF).

The impacts of both the Russian aggression against Ukraine and the extreme weather conditions caused by climate change, highlight the integral link between food security and the need of transition to sustainable and resilient food systems. In this context, the CAP Strategic Plans offer opportunities: e.g. to reduce dependence on synthetic fertilisers and scale up production of renewable energy without undermining food production; and to transform the sectors' capacity in line with more sustainable production methods.

Bulgaria submitted its first proposal for a CAP Strategic Plan on 25 February 2022, after consultation of stakeholders. On 22 November 2022, Bulgaria submitted a revised proposal, addressing the Commission's observations on the first draft. The Commission approved this proposal on 7 December 2022. This document presents some of the main features of the CAP Strategic Plan of Bulgaria.

1. DID YOU KNOW?



In Bulgaria, the agricultural sector plays an important role for the economy. Around 4% of the Gross Value Added (GVA) and more than 6% of the total employment in the country are generated by the agricultural sector. Furthermore, agriculture contributes positively to the trade balance. A major part of the agricultural production value in Bulgaria comes from crop production: cereals and industrial crops (oilseed, protein and tobacco) are the most prominent sectors. Bulgaria demonstrates export potential for rose and lavender oil, honey, pig meat and poultry.

- ➔ About **41% of Bulgaria's territory** (or 4 564 150 hectares) **is agricultural land.**
- ➔ Rural areas represent 22% of Bulgaria's territory and are home to 13% of the population (900 963 people).
- ➔ The total number of **agricultural holdings is 132 742**, while the total number of **registered farmers in 2021 was 76 372.**



2. GOALS AND STRATEGY OF THE CAP STRATEGIC PLAN OF BULGARIA

Bulgaria's strategy aims to promote the sustainable development of the agricultural sector by supporting viable farm income and enhancing competitiveness. It envisages various interventions for improving the living and working conditions in rural areas and responding to the needs of young and small farmers. The Plan will also support sustainable farming practices and envisages a significant contribution to the protection of natural resources, including by promoting investments that target them.

2.1 AN ECONOMICALLY SUSTAINABLE AND FAIRER CAP

The Bulgarian Plan will reinforce efforts to **reduce the income gap** between the agricultural sector and the rest of the economy. It will also strive to reduce the income gap between small and medium-sized farms compared to larger agricultural holdings. This will be achieved by redistributing 10% of direct payments to small and medium-sized farms for their first 30 hectares of agricultural land. An upper limit of EUR 100 000 will also be established for the amount of support an individual farmer can receive.

In order to ensure a balanced territorial development, the Plan will support agricultural holdings in mountain regions and areas with natural or other specific constraints. For the first time, the Plan sets a **framework for risk and crisis management** in the agricultural sector by envisaging investments for the prevention of natural disasters and diseases and for insurance instruments.

Increasing the productivity and competitiveness of the agricultural sector is another major objective of the Plan. Traditional sectors such as meat, dairy and fruit and vegetables are in decline due to various socio-economic and environmental factors. The Bulgarian Plan will dedicate EUR 616 million to boost these sectors by providing support linked to production.

Lastly, the Plan will **support a stronger cooperation** between farmers and the processing sector and will improve the market access of small farmers by encouraging the development of short supply chains and local markets.

→ 11 500 small farmers will receive basic income support using new, simplified conditions and EUR 30 million will be provided for the development of 3 524 very small farms to increase their production volume and become more competitive.

→ 1 784 farmers will receive support to participate in producer organisations, local markets, short supply chains and quality schemes.

2.2 A GREENER CAP

Bulgaria's Plan aims to address a number of environmental and climate challenges that the agricultural sector is facing. Interventions are aimed at reducing greenhouse gas emissions from agriculture, increasing organic carbon in soils, improving the quality of soil and water, producing energy from renewable resources, supporting low-intensity agricultural practices and sustainable management of forests.



The Plan introduces eco-schemes under which farmers can be paid for voluntarily **implementing environmentally- and climate-friendly practices** that go beyond legal requirements. The proposed eco-schemes envisage, for example, better crop rotation, use of climate resilient plant varieties, maintenance and improvement of biodiversity and the ecological infrastructure. The Plan will also focus on the development and expansion of the area under **organic farming** considering the current very low share (2.25%). To foster this development, the Plan provides incentives for organic land cultivation, beekeeping and livestock breeding, envisaging support for 200 380 hectares.



Standards for good agricultural and environmental conditions (GAECs) will contribute to the achievement of the environmental and climate objectives, as they establish more demanding basic requirements for the CAP implementation. For example, to **protect the soil**, the Plan ensures a minimum soil cover of over 80% of arable land in sensitive periods by including also permanent crops. Farmers will also have to apply crop rotation as this practice helps preserve soil potential, reduce water pollution and increase biodiversity.

- *The eco-scheme for reducing the use of pesticides encourages the use of eco-friendly technologies for crop production. It aims at reducing the amount of residual chemical substances in the produced food and improving the quality of water and soil. The eco-scheme will be applied on almost half of the agricultural land, about 2 805 000 hectares.*
- *As regards freshwater management, on-farm investments in existing irrigation installations will increase the potential water savings to 20% and the reduction in water use to 60% for installations in areas with water bodies that are not in good condition.*



2.3 SOCIALLY SUSTAINABLE CAP

Bulgaria faces serious challenges in terms of depopulation, poverty and an aging population in most rural areas. The attractiveness of rural areas depends, among other things, on improving accessibility to infrastructure and basic services and creating conditions for business development. To address these needs, the Plan will support the **creation of 9 413 jobs and 650 infrastructure investments in rural areas**. These include the construction or reconstruction of water supply systems or the reconstruction of local roads, schools and kindergartens.

Around **EUR 285 million will be invested in rural areas** and will contribute to social innovation in the framework of the LEADER approach, which brings together public, private and civil society stakeholders in a particular area to find shared solutions to its challenges. To extend economic activities beyond agricultural production, over EUR 40 million will be provided to support the development of services, crafts and processing of non-agricultural products in rural areas.

To encourage young people to undertake agricultural activities, more than 5 200 Bulgarian **young farmers**, under the age of 40, will receive dedicated support to help them set up their agricultural holdings and sustain the initial costs of their investments. The implementation of the Plan will be based on the principles of equal opportunities and non-discrimination. The Bulgarian Plan also includes measures designed to meet societal demands on **animal welfare and food safety**, including through reducing the use of antimicrobials and pesticides.

- *To secure the long-term economic sustainability of the agricultural sector, around EUR 127.6 million will be allocated to support young farmers.*
- *To improve animal health, decrease the use of antimicrobials and improve the quality of livestock production, EUR 20 million will be dedicated to investments in animal welfare. Cattle, sheep and goat farmers will receive support for increasing the space in stables, keeping their animals at least 160 days annually in the open air or using vaccinations and other methods to prevent animal diseases.*



3. KNOWLEDGE SHARING, INNOVATION AND DIGITALISATION

The Bulgarian Plan will also aim to foster knowledge sharing and innovation. To further develop the Agriculture Knowledge and Innovation System (AKIS), a coordination body will be established at national level. It will support the organisation of **information campaigns and seminars** aiming to acquaint farmers with the possibilities provided under the CAP Strategic Plan.

The Plan will support activities related to improving the level of education and training of farmers through knowledge sharing, training and provision of consultancy services, including targeted advice for young and small farmers. **290 000 people will benefit from advice, training, knowledge exchange**, or from participating in operational groups of the European Innovation Partnership (EIP) supported by the CAP.

Furthermore, the Plan puts a strong focus on **digitalisation and the uptake of innovation** as tools to facilitate the green transition. More than 8% of farms will receive financial support for introducing digital farming technologies.

The increase of broadband coverage in rural areas will be addressed by the Recovery and Resilience Plan, which has the ambition to ensure that all rural areas have high-speed internet access by 2030.

- *To improve knowledge sharing and increase the quality of advisory services, 320 advisors will receive support to be integrated into the AKIS.*
- *288 Operational Groups will be created in the framework of the EIP, with an aim of bringing together different actors (such as researchers, advisors and farmers) to cooperate on addressing environmental and other challenges in an innovative way.*





4. FINANCIAL ANNEX

	EU budget (€)	National funding (€)	Total (€)
Direct payments	4 118 959 730	n/a	4 118 959 730
Sectoral support	109 346 634	15 479 135	124 825 769
Rural development	1 411 630 215	2 070 297 857	3 481 928 072
Total	5 639 936 579	2 085 776 992	7 725 713 571

National funding does not include additional national financing referred to in Article 146 of Regulation (EU) 2021/2115. Direct Payments include allocations for cotton set out in Annex VIII of Regulation (EU) 2021/2115 and reflect possible transfers between pillars. Payments for support under Regulation (EU) No 1308/2013 are not included in the CSP. National funding for sectoral support only relates to apiculture. Rural Development reflect possible transfers between pillars and include technical assistance.

EU FUNDING RESERVED FOR	In EUR	%
Environmental and climate objectives under rural development	547 115 007	39%¹
Eco-schemes under direct payments	1 026 589 665	25%²
LEADER	113 865 060	8%¹
Complementary redistributive income support	470 796 242	11%²
Young farmers (generational renewal)	127 593 295	n/a³

The minimum financial allocations for support for young farmers can be reserved either under Direct Payments and/or Rural Development. Eco-schemes under Direct Payments may be lower than 25% if the possibility to use the rebate mechanism from Rural Development is used, in line with Article 97 of Regulation (EU) 2021/2115. The Complementary redistributive income support under Direct Payments may be lower than 10%, in line with Article 29 of Regulation (EU) 2021/2115.

¹ as compared to the rural development allocations set out in Annex XI of Regulation (EU) 2021/2115

² as compared to the direct payments allocations set out in Annex IX of Regulation (EU) 2021/2115

³ not applicable as the minimum contribution to young farmers is set as absolute amounts in Annex XII of Regulation (EU) 2021/2115

More financial information can be found in section 6 and in Annex V of Bulgaria's CAP Strategic Plan.

