

## **SECTION B:**

### **I. OBJECTIVES OF POLICY IN THE FIELD OF AGRICULTURE AND FORESTRY AND ACTIONS FOR THEIR ACHIEVEMENT IN 2005**

The negotiations on Chapter 7 “Agriculture” concluded in 2004 as well the future accession of Bulgaria to the European Union are facing the Bulgarian agriculture to new realities, where the adaptation of sector to the EU Common Agricultural Policy the unique option. For this reason, during the next two years remaining till the qualified membership of Bulgaria in the EU, the main priority of the Ministry of Agriculture and Forestry will be *THE FULFILLMENT OF ANGAGEMENT, RESULTING FROM NEGOTIATIONS WITH THE EU*. This *imposes* the launching of actions, aimed at the finalization of processes of full harmonization and efficient implementation of the European legislation in the agricultural sector and for these purposes in 2005 it will continue the work on already started measures as well it will be started new measures having the same importance.

#### **5. In 2005 it will continue the work on the establishment of:**

##### *1.1. Paying and Intervention Agency.*

The aim is to be created conditions for making of payments and implementation of intervention measures, related to the CAP mechanisms and ensuring of aids compliance on national schemes with the EU practice of support.

*For implementation of this measure in 2005*

- ✓ It will be continued the work on PHARE Project BG0201.02, started in 2004;
- ✓ For administration of export subsidies in line with Regulations 800/1999, 259/88, 615/98, 386/90 and 2221/95 it will be established a necessary structure, i.e. department on trade mechanisms within the future Paying agency;
- ✓ It will be laid down the mechanisms and conditions of intervention for the relevant price levels of grain and the way of payment, the amount of production, which will be subject of intervention, intervention period, warehouses for product storage, market subjects etc.
- ✓ It will be adopted an Ordinance on the conditions and order for control of intervention centres at the procurement of grain products, that will be introduced by Regulation 2148/1996;
- ✓ It will start the development of strategy for integration of Tobacco fund to the Agency, specification of parameters of introduction of new scheme for payment and way of legislative regulation and training of administrative staff.

##### *1.2. Integrated Administration and Control System (IACS)*

The establishment of IACS is a precondition for operation of and Paying and Intervention Agency. IACS shall control the funds paid by FEOGA - Guaranteeing Section.

In 2005 it will continue the work on the establishment of main IACS elements:

- ✓ computerized integrated database, including:
    - administrative register of agricultural producers and farms;
    - identification system for agricultural plots;
    - alphanumeric system for identification of livestock.
  - ✓ utilisation of geographical information system (GIS) - a technology including aerial, spatial or satellite image;
  - ✓ application forms for payments as per CAP;
  - ✓ system for on-site control, including risk analysis methodology and software needed;
  - ✓ The staff dealing with IACS will be trained.
6. *End of **restructuring process for enterprises, producing food products from animal origin.***
7. *Improvement and enlargement of **EVROVET system** for identification, registration and control of small ruminants, pigs and equine species.*
- ✓ Introduction of updated information for the available livestock.
  - ✓ Upgrading (to web based version) of existing system for animal identification, registration of animal breeding facilities and control of large ruminants, as well as inclusion in the system of data about small ruminants, pigs and equine species in the framework of PHARE project – Europe Aid /119986/D/SV/BG
  - ✓ Providing and installation of hardware needed for inclusion of regional veterinary stations to the information system and training of staff on software functions;
  - ✓ Updating of available software and hardware of NVS information system.
8. *Feasibility study with assistance on PHARE project for building of State knackery intended for processing of bio-products from animal origin non intended for human consumption (according to the EU Regulation 1774/2002/EEC).*
9. *As it concerns the engagement on the building and rehabilitation of 6 points for border veterinary control, in order to improve the control of live animals and products from animal origin, entering in the country till the accession of Bulgaria to the EU, in 2005 it is expected the building and equipment of veterinary facilities in the Port of Varna - West, Port of Burgas and border post of Kalotina.*
10. *Design and start of building of long-term border veterinary inspection point in the airport of Sofia.*

11. *Introduction of EU practices in terms of disease control and implementation of surveillance program in order to prevent the Spongiform encephalopathy ("mad cow" disease).*

12. *Follow-up of National program for gradual suspension of vaccination for hog cholera, in order to stop completely the vaccination before the end of 2005.*

13. *Increase of administrative capacity of the National Plant Protection Service (NPPS) for performance of phytosanitary control, control for compliance, carrying out of testing and authorization of plant protection products and raising of staff qualification.. According to the Strategy for development of National Plant Protection Service in 2004 - 2009, approved by the MAF Collegium on 15.06.2004, in 2005 it is forthcoming:*

- ✓ Equipment of Regional Plant Protection Services (RPPS) and regional laboratory in Kustendil.
- ✓ Building of new facilities in border posts of Kalotina and Gueshevo
- ✓ Introduction of quality management system in 3 border posts, 2 RPPS and Central laboratory on plant quarantine
- ✓ Full development and maintenance of "Quarantine of plants" information system
- ✓ Development of register of authorized plant protection products and registered fertilisers and soil improvers.
- ✓ Development of program for statistical processing of the data on the biologic testing of plant protection products
- ✓ Establishment of information network in NPPS structures dealing with biologic testing of plant protection products.
- ✓ Establishment of geographic information systems for monitoring of pests on agricultural crops.
- ✓ Development and introduction of "Good Plant Protection Practice" (GPPP) per crops.
- ✓ Training of agricultural producers on the implementation of GPPP
- ✓ Administrative strengthening of NSPP structures
- ✓ Training of staff in the framework of twining projects and NSPP programs

14. *Optimization and restructuring of system for **variety testing, approbation and seed control** – strengthening of administrative and technical capacity;*

- ✓ Adoption of principles and implementation of the CPVO (Community Plant Variety Office) methods and schemes at variety testing corresponding to the soil and climatic conditions in Bulgaria.
- ✓ Mathematic processing of data from variety testing for RHS for and BEC (Biological and economic characteristics) in software for assessment. Documentary activation of the RHS and BEC data and terms of validity

- ✓ Training of Agency experts in the framework of PHARE twining project
- ✓ Enlargement of scope of subsequent control on seed material in the country, inclusion of compulsory ground control of seed category for vegetable crops.
- ✓ Laboratory equipment for the Central laboratory on seed analysis, GMO identification and DNA analysis of parental lines.
- ✓ Full development of information program “System for analysis of seeds /SAS/ and enlargement of program scope for full investigation of certified seed.
- ✓ Establishment of information infrastructure between the territorial units in the country and central office in Sofia.
- ✓ Development of register for producers, suppliers and traders of plant and nursery material in the country.
- ✓ Inclusion of the country in the system for control international testing on OECD
- ✓ Improvement of conditions for variety testing, through purchasing of agricultural equipment in the framework of PHARE project.

15. *Introduction and implementation of new EU legislation in terms of food safety.*

- ✓ Strengthening of capacity of structures controlling foods through supply of equipment and training of staff.
- ✓ Development of National program for control of animal foods and improvement of the coordination between NVS and NHS

16. Qualification of slaughter carcasses on (S) EUROP scale

- ✓ Establishment of specialized unit controlling the activity in MAF.
- ✓ Training of meat qualificators on (S) EUROP scale
- ✓ Creation and maintenance of register for meet production enterprises

17. *Continuation of strengthening of administrative capacity for performance of effective control for compliance of the quality of fresh fruits and vegetables:*

- ✓ Equipment of regional inspectors with control and measurement devices, notebooks and other technique.
- ✓ Issue of instruction for the inspectors work of and checklist
- ✓ Training of inspectors on quality control.
- ✓ Gradual establishment, updating and maintenance of database for traders of fresh fruits and vegetables.

- ✓ Organising of information meetings with distribution of brochures, leaflets and others information materials and performance of regional seminars for producers and traders.

**18. Establishment of system for *monitoring of production and market realization of cow milk and dairy products from cow milk*:**

- ✓ Technical provision of activity on the establishment of database about milk producers, milk processors, the quantity of produced and marketed raw milk and dairy products from cow milk
- ✓ Establishment of milk producers and processors register within MAF
- ✓ Specifying of preliminary reference quantities for cow milk producers

**19. Organisation of activities in *NGO sector of animal breeding***

- ✓ Establishment of National milk board
- ✓ Intensification of process on restructuring of breeding associations' activities

**20. Adoption of normative documents, introducing the rules for common *organization of sugar market***

- ✓ Adoption of Ordinance on the purchase, qualification and price formation of sugar beet.
- ✓ Adoption of Ordinance on the conditions and order for issue of import and export licences
- ✓ Adoption of Ordinance on fixing of quota for sugar production

**21. Extension of *vine register establishment* – PHARE Program for technical assistance on register filling in** It is planned that the project implementation will start in 2005

**22. Strengthening of administrative capacity of *Executive Agency on vine and wine* for performance of control activity and management of a National reserve of rights for planting of wine varieties of vines.**

**23. Adoption of Ordinance on control and coordination over wines, alcohol, distillates and alcoholic drinks.**

**24. Extension of establishment of *System for Agricultural accounting information*, through which it could be collected and summarized an information on farm incomes needed for political decision-making (Regulation 79/65/CEE).**

25. *Introduction and implementation of EU requirements under Chapter 1 “Freely movement of goods” and strengthening of administrative capacity of Control and technical inspection (CTI)*

- ✓ Implementation of PHARE project BG0205.02.11 "Strengthening of administrative capacity of Control and technical inspection" - training of regional service inspectors by the EU member state experts on the implementation of control (since 2005) on standard approval of new wheeling tractors, systems and components for them.
- ✓ Participation in PHARE project "Type approval of engine for off-road machinery" in cooperation with the Centre for testing of agricultural and forest machinery and spare parts in Plovdiv.
- ✓ Implementation of the European legislation in the field of environmental protection. Development of project for monitoring in the field of machinery activities in the agriculture and supply of 30 control and diagnostic vehicles in cooperation with MOEW and NSPP.

26. *Measures related to the legislation regulating the registration and control on AFM (agricultural and forest machinery)*

- ✓ Drafting of Act amending the Act on registration and control over agricultural and forest machinery.
- ✓ Drafting of Ordinance on the conditions and order for registration and control over agricultural and forest machinery.
- ✓ Drafting of ordinances on the conditions and order for type approval of chain tractors, tractor trailers, attachment machinery, as well as change of ordinances on the conditions and order for type approval of chain tractors, their systems and components.

27. *Improvement of technical equipment of CTI:*

- ✓ Development of Unified national system of CTI through integration of:
  - program for registration of agricultural and forest machinery;
  - program for control of technical status of AFM
  - program for persons authorized to work with AFM;
  - program for administrative punitive activity.

28. *Improvement of technical equipment of CTI regional services through purchase of modern control diagnostic devices and specialised measurement equipment for performance of objective control of technical status in order to be used safe and environmentally suitable agricultural and forest machinery. Training of CTI inspectors on work with measurement equipment*

**In relation to commitments of Bulgaria under Chapter 8 “Fishery” in 2005 it is forthcoming:**

5. *Strengthening of administrative capacity of Executive Agency on Fishery and Aquacultures /EAFA/ for carrying out of activities and efficient performance of*

*duties, related to the management of fishery sector, through relevant change of EAFA Structural regulations and ensuring of sustainable development of human resources.*

- 6. Improvement of technical capacity in terms of inspection and control systems, including information technologies and data transfer by means of continuing equipment of EAFA structures.*
- 7. Completing of system for satellite survey on fishing vessels in line with the requirements of the European legislation.*
- 8. The efficient implementation of principles on the EU common organization of fish and fish products market, which were introduced by an Ordinance on the conditions and order for marketing of fish products, will start till the end of 2005.*
- 9. Adoption of National program for fishery and aquacultures, including Management plan for fishing fleet*
- 10. Drafting of assessment on stocks of main industrial fish species in the Black sea, Danube River and ponds of the country.*
- 11. Adoption of ordinance on recognition of fish and fish product producers' organisations.*

In 2005 the pre-accession funds of SAPARD Program will be crucial factor for the achievement of **SUSTAINABLE RURAL DEVELOPMENT – IMPROVEMENT OF LIVING AND LABOR CONDITIONS OF PEOPLE EMPLOYED IN AGRICULTURE AND FORESTRY AND PEOPLE LIVING IN THE RURAL AREAS** – another main objective of governmental policy. In 2004 it started the drafting of *National strategic plan for Rural Development and Program for development of rural areas during 2007-2013 period*. The following actions will be carried out:

- 5. Establishment and laying out of activity of Working group which will draft the Strategic plan for Rural Development and Program for the development of rural areas during 2007-2013 period*
- 6. Identification of partners (NGO's, branch associations) and establishment of efficient dialog with them on the drafting of the plan and Rural Development Programme.*
- 7. Review of RDP compliance with the national priorities and discussion of threats concerning the overlapping of RDP activities with the operational programs of EU Structural Funds.*
- 8. Implementation of pilot scheme on compensatory payments in less-favoured areas.*
- 9. Implementation of Program for agricultural and rural development in Strandja - Sakar region. The program will be approved in February 2005.*

10. *Start of implementation of NARDP measure on agrienvironment.*
11. *Development and adoption of National action plan on the organic farming development.*
12. *Continuation of activities carried out under project "Sustainable Rural Development" of MAF, UNDP and 11 pilot municipalities in relation to the strengthening of capacity of established local initiative groups and financing of different local initiatives by the Fund for demonstration initiatives (FDI).*
13. *Analysis of soil and climatic characteristics of less favoured areas concerning the levels of compensatory payments (Analysis of altitude and climate impact on the agricultural activity; Analysis of slope impact on the use of agricultural machinery. Analysis for calculation of compensatory payments after 2007)*
14. *Explanation of policy concerning the support for "less favoured regions and regions with environmental restrictions" and implementation of good agricultural practices in these regions through MAF structures.*
15. *Training of rural area population through organising and conducting of seminars and discussions, printing and distribution of information materials in order to present the opportunities about the use of means from different financial sources for support of their activity, through MAF structures.*

**Unchanged PRIORITY** of policy in the agricultural sector is the creation of conditions for its sustainable and balanced development and its transformation to a **COMPETITIVE and EXPORT ORIENTED SECTOR OF NATIONAL ECONOMY**. In 2005 through financial instruments of SF" Agriculture" and SAPARD Program there will be created conditions for increase of investments in the agriculture and establishment of competitive production structures, that will produce high quality foods and will be able to withstand the competitive pressure of the EU markets.

5. *State support of agricultural producers by the SF "Agriculture".*

In the SFA budget for 2005 it is planned a transfer from the State budget amounting to 160 million BGN.

The costs planned for subsidies are at the rate of 65 million BGN.

The net amount of costs planned for investment crediting is figuring out at 100 million BGN.

6. *Governmental regulation and support for the price formation and production of tobacco, stabilization of export and retention of means of livelihood for the population in mountainous and semi-mountainous areas – in 2005 the subsidies planned by "Tobacco" Fund are at the rate of 126 million BGN.*



7. *Implementation of regional programs - Program for development of alternative agriculture in Rhodopes and Program for development of agriculture in North West Bulgaria in 2003-2006* – via these programs, the SFA provides capital subsidies for the agricultural producers from Kardjali, Haskovo, Plovdiv and Pazardjik regions; Vidin, Vratza and Montana

8. *Implementation of Strategy for development of agricultural research:*

- ✓ gradual transition from resource to project and program financing;
- ✓ horizontal and vertical integration in the agrarian science at the implementation of projects of national importance;
- ✓ optimization of "Science- Technologies - Innovations" System
- ✓ raising of qualification of scientific potential and attraction of young scientists

9. *Measures in the field of vocational training.*

- ✓ Vocational training of agricultural producers on the Special preaccession program of EU for the development of agriculture and rural regions;
- ✓ vocational training of Roma in the field of agriculture and forestry in performance of Framework program for equal-in-rights Roma integration in the Bulgarian society
- ✓ Conducting of national exams in the State schools within the MAF for acquisition of qualification degree on vocation;
- ✓ Conducting of national competitions, exhibitions on vocation for demonstration abilities and creative work of students
- ✓ Starting of activities under measure "Improvement of vocational training" of SAPARD Program;
- ✓ Implementation of new governmental education requirements for acquisition of vocation qualification, new curricula and framework training programs for vocational guidelines, which shall be followed by the State schools financed by the MAF.
- ✓ Carrying out of activities, related to the priorities of National strategy for continuing vocational training for 2005 - 2010;
- ✓ Development of Instruction on implementation of MAF Ordinance 8/10.02.2004 that will contain a full documentation, related to the modules for different categories of competence in the work with agricultural and forestry machinery.

10. *Improvement of quality and increase of services, provided by the National Agricultural Advisory Service (NAAS)*

- ✓ Training of young farmers on the Common agricultural policy of EU by sectors;

- ✓ Explanation and assistance at introduction of Codes for good agricultural practices;
- ✓ Explanation of activities on the environmental measures;
- ✓ Support for the agricultural producers through analyses of soils, fodders and irrigation waters and providing of advices for sustainable and environmental friendly agriculture in the holdings;
- ✓ Introduction of agrochemical monitoring of farm holdings at different soil conditions and agricultural systems;
- ✓ Advices at the introduction of accounting system in the farms

#### *11. Measures in the field of hydro-melioration*

- ✓ Development of a strategy for development of hydro-meliorations till 2007 and till 2020
- ✓ Development of short-term and long-term programs for investments needed in hydro-meliorations.
- ✓ Drafting of Act amending the Act on Irrigation associations.
- ✓ Change of Ordinance on acquisition and deprivation of right of users on the sites from irrigation infrastructure and operating equipment on the territory of irrigation associations
- ✓ Change of the Ordinance on financial support of irrigation associations;
- ✓ Implementation of pilot project for re-establishment of hydro-melioration infrastructure of irrigation associations.
- ✓ Creation of complex cadastre of hydro-melioration structure

**EFFICIENT MANAGEMENT OF LAND RESOURCES** remains as another important **PRIORITY** of governmental policy in the agrarian sector.

The activities in 2005 on this priority include as it follows:

5. *Completion of work on project “Advisory services for implementation of pilot project for consolidation of agricultural lands” (consolidation on agreement about the land belonging to village of Abrit , village of Harletz and village of Botevo ) and analysis of results.*
6. *Expansion and development of GIS– (ALIS) with new functional annexes (modules), containing additional specialized data about soil cover, perennial crops, hydro-melioration fund, land use, planted areas per crops, data about farmland owners.*

7. *Work on the establishment of information system for specialized maps and registers of farmland for MAF needs and establishment of communication network for data exchange between the MAF and its subordinated structures /Regional Agricultural and forestry Directorates, Regional Agricultural and forestry services, agencies/.*

**PRIORITY: ENVIRONMENTAL FRIENDLY AND SUSTAINABLE  
MANAGEMENT OF FOREST RESOURCES, HUNTING FAUNAS AND  
PROTECTED NATURAL TERRITORIES**

In 2005 the particular measures are as it follows:

5. *Implementation of project “Bulgaria – development of forestry sector”, credited from the World Bank, which will assist to:*
  - ✓ restructuring of the State forest sector;
  - ✓ investments in forestry activities – afforestation of forest areas set on fire, fire prevention of forests and control on illegal felling
  - ✓ building of forest roads;
  - ✓ introduction of information forest system
  - ✓ establishment of national system for information and control of forest fires
6. *Updating of equipment of observation points and laboratories for processing and analysis of samples needed for assessment and **monitoring of polluted air impact on the forest ecosystems.***
7. *Training of experts in the implementation of legislation in line with EU Regulation 1999/105 in the field of marketing **and trade with forest reproduction materials.***
8. *Implementation of measure **1.4.** "Silviculture, afforestation of farmlands, investments in forest holdings, processing and marketing of forest reproduction products" of SAPARD Program.*

**II. FINANCIAL PROVISION OF AGRICULTURAL AND FOREST POLICY IN 2005**

The financing of costs for actions planned on the implementation of priorities set out in the governmental policy for the agrarian sector in 2005, will be performed by the funds in the framework of MAF budget, State investment credits, other sources, set out in the implementation of forthcoming joint projects as municipalities, international institutions and own incomes of beneficiaries under the programs and by the SF "Agriculture" budget.

The expected own receipts (without “Tobacco” Fund) are at the rate of 194 194 800 BGN.

The planned budgetary subsidy is at the rate of 109 914 800 BGN.

The financing from external credits is at the rate of 6 691 100 BGN. (in the framework of projects for establishment of market structures for marketing of fruits and vegetables and for development of forestry sector in Bulgaria)

The funds needed for financing of MAF costs (without “Tobacco” Fund) in 2005 amount to 310 800 700 BGN and they will be allocated as it follows:

- ✓ development of agrarian research studies
- ✓ school vocational training in the field of agriculture, food industry and forestry
- ✓ establishment and efficient use of system for control and control coordination in wine and vine sector of the country, in line with the EU requirements
- ✓ active impact on hail-forming processes and other unfavourable atmospheric problems
- ✓ optimization and restructuring of the system on variety testing, approbation and seed control
- ✓ preservation of the country against the quarantine pests and harmful plant protection products
- ✓ establishment of GIS on soil resources, maintenance and entering of new data on the basis of studies carried out in regions where the 1:10 000 mapping is still missing and harmonization of information with those of EU
- ✓ providing of research, applied and servicing activity in the field of growing of essential and medicinal crops
- ✓ management and control of forest fund
- ✓ control at the intervention grain procurement
- ✓ organization and management of fishery and aquacultures, control on fishing and fish breeding, preservation and enrichment of fish stocks in the country and implementation of Common policy principles in the field of fishery
- ✓ testing, study and certification of agricultural and forestry machinery and spare parts and security parameters
- ✓ control on technical status, safety and registration of agricultural and forest machinery and control on acquiring and withdrawal of qualification for work with such machinery
- ✓ selection and reproduction in the field of animal breeding
- ✓ regulation and control in the field of hydro-melioration
- ✓ organization and management of veterinary activity

- ✓ implementation of Governmental immuno - prophylactic program - monitoring control on oddments and environmental contaminants in livestock and food products from animal origin, animal identification and registration of animal breeding facilities, surveillance on the elimination of specific and high risk materials for transmissible spongiform encephalopathies, compulsory examination of large and small ruminants, control of echinococcosis on humans and animals
- ✓ Support for "Kabuik" complex on maintenance of indigenous and others valuable species from the National gene pool of animal breeding and its conservation as richness
- ✓ Co-Financing of UNDP projects, including Project BUL /02/013 "Sustainable Rural Development" for carrying out of investment activities in the agriculture, forestry and development of rural tourism in 11 municipalities of Bulgaria and Project "JOBS on wheels" – for activities that advise and inform the agricultural producers for existing options and ways of financing aimed to sustainable rural development.