



TOP STORY

Zhivko Zhivkov: 'In 2018 the Bulgarian farmers received almost 3 billion BGN'



Zhivko Zhivkov, Executive Director SFA

-Do you believe the Bulgarian agriculture received enough support from you?

The numbers speak for themselves, whether the financial support which the fund provided was enough, or not. In 2018 the Bulgarian farmers received almost 3 billion BGN. Out of that amount, almost 2 billion BGN were under the direct payment schemes and measures, about 600 million BGN were paid under the 2014-2020 RDP, over 300 million BGN were transferred in line with the state aids and the national payments, and almost 80 million BGN – in line with the market measures.

- What was new for farmers in 2018?

2018 was a year of changes – for our beneficiaries and for the fund's administration as well. We created the infrastructural basis for the digital transformation of agriculture. The biggest novelty was the electronic project application through the ISMM system, along with all the following procedures of online application and approval. This required the Information System for Management and Monitoring to be synchronized with the IACS integrated system of the State Fund Agriculture which took some time.

As a part of the state policy of the government of the Republic of Bulgaria, the State Fund Agriculture participated also in the Electronic Messaging System (EMS). The electronic documentation flow between the state institutions was realized through that system. In connection to transferring to an entirely electronic documentation flow in the Bulgarian administration and to facilitating the beneficiaries, an E-Service System (ESS) was created for the fund's needs.

- How would the E-Service System make things easier for the farmers?

The E-Service System of the State Fund Agriculture started functioning in the beginning of December. At first, the data under Measure 10 'Agroecology and Climate' and Measure 11 'Organic Farming' of the RDP 2014-2020 were entered into the system. The beneficiaries could check in the system the results of the inspections by the external institutions for the 2018 Campaign.

The new network would facilitate the communication between the farmers and the fund. It would allow for electronic submission of aid requests and it would provide constant access to them. In the individual platform designed for each applicant, the opportunity to visualize electronic documents, notices and geographic data would be provided. In the public part of the system, registers and references, regulations, calculators, as well as a specialized geographic map would be available.

The system was designed in accordance with all the rules of the GDPR Regulation for protection of personal data which entered into force on 25th May this year. The system was created as a response to the agricultural sector's necessity of modernization and digitalization. Our expectations are that all applications would start working through the system in due time.

It is my ambition for the submission of applications for direct payments for the 2019 Campaign to be achieved online, through the E-Service System.

- How is the implementation of the RDP 2014-2020 going? How many applications were there this year and for which measure was the greatest interest shown?

The total budget of the RDP 2014-2020, provided by the EAFRD, is 2,367 billion EUR. What the data shows for the implementation of the RDP 2014-2020 as of now is that over 1,315 billion EUR have been negotiated for the open admissions. Almost 564 million EUR of them have already been paid. This means that the implementation of the RDP when it comes to the provided resources in accordance with the total budget of the EAFRD amounts to 71.2% negotiated and 30.5% paid, compared to the open admissions budget.

This year 17 admissions have been opened with a total budget of nearly 337 million EUR. The interest towards the Program by the farmers and the municipalities was enormous. This can be seen from the numbers. 4,340 projects for over 636 million EUR were submitted – almost double the resources allocated for the admissions. Right now 3,636 projects for over 298 million EUR are in the process of being evaluated.

The highest amount of requests was submitted under Measure 6.1. 'Business start up aid for young farmers' – 1,837, out of which 1,638 are in the process of being reviewed.

There was a great interest towards sub-measure 4.2. 'Investments in the Processing/Marketing of Agricultural Products'. During the application term, 593 projects were submitted, out of which 538 projects for a total of over 116 million EUR are being reviewed at the moment.

In the meantime, the contracts under Measure 9 'Creating Producer Groups and Organizations' are being signed. Until the end of the year there would be 23 signed and paid projects.

The great interest towards the Program is due to the amassed experience of the applicants, as well as the many good examples of modernization and introduced innovations in the farms and in the manufacturing companies. This is precisely the basis on which the improved quality of life of the agricultural sector is constructed, and it is already a fact.

**An excerpt from an interview*

RDP

Measure 9 'Creating Producer Groups and Organizations' is an extremely important measure for the mid-term evaluation of the implementation of the RDP 2014-2020.



This is what Atidzhe Alieva-Veli, Deputy Executive Director of State Fund Agriculture, stated during the Eight National Seminar of the National Grain Producers Association (NGPA). There was also a meeting of the State Fund Agriculture with all applicants for the Measure in order for the criteria for implementation of their project proposals to be discussed. The debate aimed to facilitate the beneficiaries in the submissions of payment requests, so that their contracts could be successfully signed by the end of the year. Since the beginning of the operation of the 2014-2020 RDP and up until now, the SFA PA has paid over 1 billion BGN under the measures of the 2014-2020 RDP. A total of 5,474 contracts have been signed and the accepted applications for the open measures were 17,577.

In 2018 Bulgaria hosted for the first time the 43rd Edition of the Conference of Directors of EU Paying Agencies. All the directors of the EU agencies were present at the forum, as well as the ones from the candidate countries. Representatives of the EC, the European Court of Auditors, the Learning Network of the EU Paying Agencies, and of the Executive Agency Certification Audit of European Agricultural Funds were also present. The conference which was opened by the Minister of Agriculture, Food and Forestry – Rumén Porozhanov, and the Executive Director of State Fund Agriculture, was part of the calendar of the Bulgarian Presidency of the Council of the EU. The main topics of discussion during the 43rd Conference of Directors of EU Paying Agencies were the eligibility of costs, the options for the automatization of the measures outside of IACS and the implementation of the Monitoring Approach to the current CAP. The challenges in the CAP after 2020 were also discussed. Those elements are part of the tools with which the Paying Agencies monitor the correct expenditure of the funds from the national budgets and from the EU budget and they are practically important for each of the Paying Agencies. The proposals for the new model of application of the Multiannual Financial Framework during the next program period after 2020 were discussed. The delegates agreed that together they shall continue with the comments and the discussions for implementing the new financial framework of the CAP after 2020. We proved that together we can do more.

National Program for Development of the Vine and Wine Sector Marks Its Most Successful Year

The National Program for Development of the Vine and Wine Sector for the 2014-2018 period concluded with a record amount of paid funds for the past four years. The percentage of realization for the financial 2018 is 91.38%, with 46,335,143 BGN paid to 280 processed and paid requests for payment with signed contracts for the 'Restructuring and Conversion of Vineyards' measure of the Program. The Measure's budget for this financial year was 50,708,027 BGN.

The activity under which the largest number of projects were approved (75) was replanting without relocation. There was a big interest towards the activity of the construction of hydromeliorative facilities – systems for drip irrigation, under which 74 projects were approved. Fourteen projects were signed for anti-erosion facilities with an authorized amount of over 5.3 million BGN.

The Measure financed investments for the reconstruction and conversion of vineyards connected to the planting of new wine sorts, improving the management methods and technologies of the wine farming through creating drip irrigation, constructing anti-erosion facilities, etc.

The Restructuring Measure for the 2014-2018 period had a budget of almost over 253,216 million BGN (129,469 million EUR).

For 2017 almost 43,572 million BGN were paid, which was 86.70% utilization of the budget funds, amounting to over 50,254 million BGN. The funds were transferred to 221 requests under signed contracts. In 2016, almost 42 million BGN were paid, which was a utilization of 82.09% of the budget funds, amounting to almost 51 million BGN under the measure. 199 requests under signed contracts were paid. For 2015 a total of 39 million BGN for the country were paid, which was a utilization of 77.59% of the budget funds, over 50 million BGN under the measure. 121 requests under signed contracts were paid. For 2014 over 32,159 million BGN were paid to 132 requests under signed contracts. The utilization of the budget which was amounting close to 51,168 million BGN was 62.85%.

Payments during the last quarter of 2018

The State Fund Agriculture paid almost 1 billion BGN at the end of 2018. Over 785 million BGN of that sum were under the Direct Payment Schemes for the 2018 Campaign, almost 100 million BGN under the RDP 2014-2020. In the beginning of December, 73 million BGN were paid as a discount from the first payment of the excise duty on gas oil used in agriculture. The total amount under the scheme for 2018 was 84 million BGN as the remaining money would be paid at the beginning of 2019. In the end of October, the payment of the subsidies under the Direct Payments for the 2018 Campaign began with 35 million BGN paid as the first installment under both schemes – Livestock Transitional National Aid Unrelated to Production (TNA1) and the Mother-Sheep and/or Mother-Goats Transitional National Aid Related to Production (TNA3). The payments under the animal schemes continued until the middle of December. In the middle of December, the State Fund Agriculture transferred the first aids under Measure 14 'Animal Welfare' of the RDP 2014-2020. Until the end of the year the total sum of the payments under the measure reached 3,752,570 BGN and were paid to 363 farmers.