

Brussels, 20 September 2007

Hungary's Rural Development Plan

Country profile:

Size: 93,030 km².

Hungary is divided into 7 Regions, 6 of which are Convergence Objective.

Population of 10,077,000 inhabitants. The average population density in 2006 was 108.5 persons per km².

Rural areas cover 87% of the territory and are inhabited by 45% of the population.

Unemployment rate 6.33 % (2005).

In 2006, approximately 62.5 % of Hungary's territory was under agricultural cultivation (5.8 million ha); fragmented and polarised farm structure with an average 2.3 ha holding size: 93.4 %, are below 10 hectares accounting for approximately 25 % of the land use.

Forests cover 1.85 million hectares, covering 19.1 % of the country's territory; 58 % owned by the state, 41 % are in private ownership and 1 % is owned by communities.

Approximately 5 % of the total workforce is employed in agriculture; unfavourable age structure: 62.2 % of the agricultural manpower in the age group of "40 years and older" (2005).

14% of the UAA (utilised agricultural area) is classified as less favoured.

Chosen strategy:

The overall objectives were chosen in accordance with the Community Strategic Guidelines (CSG) and the National Strategy Plan and are:

- contributing to the competitiveness of agriculture, food production and forestry,
- sustainable development and the protection of natural values and biodiversity,
- strengthen entrepreneurship and provide access to services throughout rural areas.

Budget over and share of EU funding

Axis	Public contribution		
	Total public	EAFRD Contribution rate %	EAFRD amount
Axis 1	2,366,378,274	71,77%	1,698,357,613
Axis 2	1,626,706,126	76,86%	1,250,219,555
Axis 3	690,690,802	71,77%	495,711,102
LEADER	272,355,669	76,86	209,321,387
Technical Assistance	202,978,313	75,00%	152,233,735
Total	5,159,109,184	73,77%	3,805,843,392

Overall aim of RD programme in country

The programme aims at contributing to the competitiveness of agriculture, food production and forestry (axis 1), respecting the principles of sustainable development and the protection of natural values and biodiversity (axis 2), and to strengthening entrepreneurship and providing access to services throughout rural areas (axis 3). The Leader approach will serve the realisation of the objectives of all axes of the RDP.

Axis 1 budget allocation and main priorities:

EAFRD: € 1.698.357.613 (45 % of programme total)

Total public funding: € 2.366.378.274

The objectives of Axis I will be realised through the following main actions:

- 1) farm and production restructuring
- 2) support for investments in primary and secondary production and infrastructure
- 3) support for age restructuring
- 4) training and information activities, including the use of advisory services.

Axis 2 budget allocation and main priorities:

EAFRD: € 1.250.219.555 (33 % of programme total)

Total public funding: € 1.626.706.126

The objectives of Axis II will be realised through the following main actions:

- 1) support for agri-environment, forest-environment and Natura 2000 territories
- 2) support for LFAs and 3) support for forestry.

Axis 3 budget allocation and main priorities:

EAFRD: € 495.711.102 (13 % of programme total)

Total public funding: € 690.690.802

The objectives of Axis III will be realised through the following main actions:

- 1) enterprise development
- 2) support for improving basic services
- 3) preserving natural and cultural heritage
- 4) local capacity building.

Support for diversification, micro-businesses and tourism will represent the major component of axis III (58 %), closely linked with job creation, followed by measures for the quality of life (31 %) - a significant proportion of funding (10 %) is earmarked for training and capacity building given the envisaged delivery mechanisms.

Leader budget allocation:

EAFRD: € 209.321.387 (6 % of programme total)

Total public funding: € 272.355.668

272.3 million EUR of which EAFRD contributes with 209.3 million EUR