

# The case of Hungary

## Funding forests into the future?

How the European Fund for Rural Development affects Europe's forests



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## Acronyms

ARDOP	Agriculture and Rural Development Operational Programme
EAFRD	European Agricultural Fund for Rural Development
FLEGT	Forest Law Enforcement, Governance and Trade
LFA	Less Favoured Area
MARD	Ministry of Agriculture and Rural Development
NFP	National Forest Programme
NGO	Non-Governmental Organisation
NRDP	National Rural Development Programme
RDP	Rural Development Programme
SEA	Strategic Environmental Assessment
SFS	State Forest Service

## 1 Introduction

In Hungary, forested land amounts to 1,823,400 hectares (ha), equivalent to 19.6 per cent of the total land area. According to national forestry data, approximately 70 per cent of these forests are classified as semi-natural. In total about 80 per cent of the forested area is used for economic purposes. In reality, none of Hungary's forests are genuinely natural, but foresters classify plantations as 'natural' if they are grown using local indigenous tree species suitable for the ecological conditions.

The proportion of state-owned forests is 58.7 per cent, compared with 41.3 per cent for privately owned ones.

The percentage distribution by tree species is as follows: oak 20.6, Turkey oak 11.4, beech 6.1, hornbeam 5.6, Robinia 22.3, other soft broadleaved species 6.9, poplar 3.2, other broadleaved species 10.3, and conifers 13.6.

The annual growing stock is 12.3 million m<sup>3</sup>, and harvesting accounts for 7.0 million m<sup>3</sup>. In 2002, forest regeneration covered an area of 22,300 ha, and tree-planting covered 14,800 ha.

The following are the most important issues faced by Hungarian forestry.

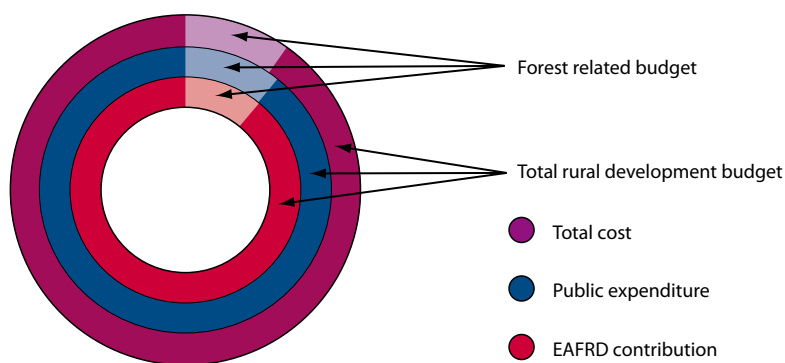
- Forest coverage in Hungary is below the European average, and the forests also underperform in ecological terms. It is estimated that, overall, more wood could be produced from the forests without seriously harming the natural processes
- Forest management has a negative impact on forest biodiversity
- Periodical forest management planning lacks indicators regarding biodiversity
- Forest biodiversity is not continuously monitored
- The status of the protected forests is not safeguarded. With a few exceptions, the protected forests are also managed for the supply of timber
- The companies that manage the state-owned forests are not open to public scrutiny, and have no obligation to respond to public demands
- Unlike in the agricultural sector, there are currently no subsidies for forest management
- The state-owned forests (which amount to nearly 60 per cent of the total) are managed for profit, and there is great pressure on managers to deliver ever-larger profits, although 60–70 per cent of the forests produce only low-quality wood with a low economic value. This creates a very unfavourable situation for nature conservation. Environmental services are either very basic or non-existent
- 50 per cent of the forests in Hungary are plantation forests made up of exotic black locust, conifers or hybrid poplar species which do little or nothing to maintain biodiversity.

## 2 Forest-related activities and the Rural Development Fund

For the period 2007–2013, Hungary will receive €3,805,843,392 from the European Agriculture Fund for Rural Development. Of this, an estimated €463,264,000 – 11.4 per cent of the EAFRD budget for Hungary – will be spent on forest-related activities. This is only an estimate, however, as it is difficult to foresee how much will be spent on forest-related issues under some of the measures in Axis 1, as the programme does not include exact financial objectives for the different sectors. The calculation method is detailed under the next chapter.

**Figure 1 – The EAFRD budget comes from EU resources.**

**Public expenditure = EAFRD + government budget; total = EAFRD + government + operator's own share.**



It is also important to show how much public and private money will be spent over this period. The total public expenditure on forests (from the EU and Hungarian budgets combined) will be around €570.56 million, which is 11.1 per cent of the total public spending on rural development (€5,159,109,184).

The EAFRD has a significant effect on private capital as well. Adding up the expected private and public spending on rural development and forestry issues, we can conclude that just under 10 per cent of all expenditure concerning rural development will be spent on forest-related development in the next seven years.

Table 1 shows measures which include expenditure on forest-related issues: though it only includes Axis 1 and 2 measures. For the estimates, spending on forest-related activities under Axes 3 and 4 was considered to be zero.

**Table 1 – EAFRD budget from EU resources**

Public expenditure = EAFRD + government budget. Total = EAFRD + government + operator's own share.

	EAFRD contribution (€)	Total public expenditure (€)	Total cost (€)
Vocational training	10,939,119	15,241,839	16,044,089
Young farmers	2,192,094	3,054,318	3,054,318
Early retirement	666,060	928,043	928,043
Advisory services management	420,552	585,970	732,462
Advisory services environment	911,197	1,269,601	1,587,001
Advisory services other	1,121,473	1,562,585	1,953,232
Modernisation of agricultural holdings	69,284,903	96,536,965	207,925,771
Increasing the economic value of forests	8,831,460	12,305,168	27,344,817
Infrastructure	27,358,907	33,690,954	51,832,237
Afforestation of agricultural land	197,534,690	257,019,568	367,170,811
Agro-forestry systems	625,110	813,353	1,161,933
Afforestation of non-agricultural land	1,500,263	1,952,047	2,788,639
Natura 2000	0	0	0
Forest environment	68,637,054	89,306,167	89,306,167
Restoring forestry potential	8,251,449	10,736,260	10,736,260
Non-productive investments	34,631,082	45,059,760	45,059,760
<b>Total forest-related budget</b>	<b>432,905,414</b>	<b>570,062,599</b>	<b>827,625,541</b>
<b>Total rural development budget</b>	<b>3,805,843,392</b>	<b>5,159,109,184</b>	<b>8,385,187,786</b>

In some cases, where the RDP does not indicate the exact budget for the different sectors (agriculture, forestry etc.), indicative values given for all the different sectors were used, such as the expected increase in agricultural gross value added of supported farms (in the case of the 'setting up of young farmers' measure) or the number of participants from the sector (for the 'vocational training' measure).

In the case of the measure relating to 'modernisation of agricultural holdings', no forest-related activities are described; however, 630 of the 10,500 beneficiaries are expected to be forestry holdings. The measure includes payments for biomass-producing units and purchase of IT equipment for all farming units (including forestry).

With regard to the measure regarding farm advisory services, the budget allocated for forest-related measures was calculated on the basis of the number of advisory services delivered to the producers in the various different sectors. Different services were distinguished under the measure based upon type of advice given: environmental, management and other advisory services.

In the table, the dark green rows indicate the measures we consider to be environmentally beneficial. These are the forest environment and agro-forestry measures, non-productive investments and environmental advisory services. The Natura 2000 measure would fall into this category as well, but so far no budget has been allocated to it.

The light green rows are measures which help increase the forest cover in Hungary, and therefore the authorities consider these to be environmental measures. In our view, however, these expenditures serve the interests of commercial forestry rather than helping to achieve environmental objectives. These measures are listed under Axis 2, which means that their primary goal should be environmental. The largest proportion of this belongs to afforestation measures.

In Hungary, most of this will be spent on the plantation of black locust stands on the Great Hungarian Plain. This species is non-indigenous in Hungary and has many adverse effects on the environment. It is invasive, spreads rapidly and is very difficult to eliminate. However, any forest has a soil-protective role and provides improved climatic and water management conditions and, according to some researchers, it can give better shelter for certain valuable bird and other species than an arable field. This is why these measures are discussed separately and are coloured light green.

Measures such as developing the infrastructure, increasing the economic value of the forests and modernising agricultural holdings have been categorised as commercial forestry ones. Of the farm advisory services, advice given on management issues (economic performance, bookkeeping etc.) also belongs in this category.

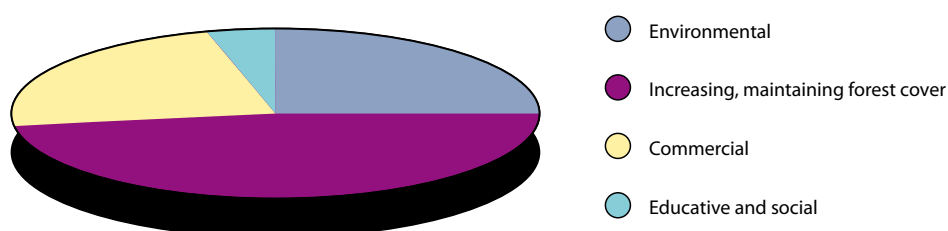
Measures whose effects are mostly social or educational are indicated red in the table. None of the farm advisory services fell into this category, as these can clearly be put in the three other categories on the basis of the type of advice given (e.g. services which provide general advice on forest management help to maintain forest cover).

Table 2 shows how the financial resources have been allocated, between 2007 and 2013, to each of the categories established.

**Table 2 – Expenditure**

Type of measure	EAFRD contribution (€)	Public expenditure (€)	Total cost (€)
Environmental	104,804,443	136,448,881	137,114,861
Increasing and maintaining forest cover	207,286,402	269,707,875	380,695,710
Commercial	105,895,823	143,119,057	287,835,287
Educational and social	14,918,746	20,786,786	21,979,683
<b>Total</b>	<b>432,905,414</b>	<b>570,062,599</b>	<b>827,625,541</b>

**Figure 2 – Financial proportion of different categories of forest-related measures in the Hungarian RDP**



## 2.1 Action on biodiversity

Hungary does not have a national biodiversity action plan. The closest to such a document is the National Nature Conservation Plan, which is a part of the National Environmental Programme II for the period 2003–2008. Neither the National Environmental Programme nor the National Nature Conservation Plan is mentioned in the RDP. As stated above, the budget share of the different axes shows that the RDP is mainly growth- and competitiveness- oriented. Only Axis 2 objectives are in line with the environmental programmes. Present processes and practices indicate that these will barely be enough to compensate for the damage done by Axis 1 and all the infrastructural development financed by Structural Funds etc.



However, there are measures in the RDP which have the potential to contribute towards the objectives of these programmes. The agro-environmental measure has been one of the most complex and environmentally effective of such measures in the EU. Similarly, the forest-environment measure is now a very progressive one, with its provision for payments for a large variety of sustainable forestry practices. This is best shown by the objectives of the forest-environment payments, which are as follows.

### **2.1.1 Repression of aggressively expanding non-indigenous tree and shrub species**

The objective of eliminating aggressively expanding non-indigenous tree and bush species is to keep and expand the areas currently covered by native tree species, which is very important on the flood plains. The aim is to protect the forest soil's biological potential, to enhance the natural character of the forest areas concerned and the surrounding areas, and to bring an improvement in the structure of the stock and its pattern of tree species.

### **2.1.2 Forest management based on selective cutting**

This heading relates to the continuous provision and maintenance of the forest cover; preservation of the forest climate; protection of the forest soil and the guaranteeing of its development; and the creation and maintenance of a structure and mix of species that is close to natural conditions.

### **2.1.3 Conversion of forest stands and maintenance based on manual work**

Instead of non-indigenous single-level or mainly offset-origin forest, natural mixed forest must be established with an adequate stand type for the specific site. There must also be enrichment of biological diversity with the creation of a proper mix and variability of species and stock structures. The optimal forest soil development processes must be ensured.

### **2.1.4 Reduction of clearcutting with artificial regeneration**

There should be support for alternative regeneration possibilities for forest stocks on the Great Plain, with the pedunculate oak (*Quercus robur*) as the main species representing outstanding natural value.

Adaptation to changes in the habitat's properties (such as diminishing ground water) should be encouraged.

In the course of clearcutting, shock-type effects (e.g. warming-up of the soil, becoming overgrown with weeds and deterioration in the water regime) should be avoided in these habitats.

### **2.1.5 Ensuring special forest habitats, and the conditions for natural forest regeneration**

#### **A. Creation and maintenance of micro-habitats**

Special forest habitats can be created by leaving dead and decaying trees and by the development of nesting, hiding, feeding, and living places attached to standing or lying trees. By ensuring the diversity of species, the traditional relationships within a particular forest habitat can be recovered.

#### **B. Leaving groups of trees after final felling**

The benefits of this are threefold, as they help in protecting the forest soil; safeguarding special forest habitats after the final felling; and increasing biodiversity (differentiation in horizontal and vertical terms).

#### **C. Bush regulation to ensure the success of forest regeneration**

Provision of natural forest regeneration.

### **2.1.6 Postponement of final felling in order to protect soil and habitat**

- Protection of the soil in the forest and the surrounding areas from wind and water erosion
- Improvement of micro- and mesoclimatic conditions
- Preservation of special wetland and water habitats.

### **2.1.7 Maintenance of forests for public welfare purposes**

- Maintenance both of the forest structure ensuring public welfare services and of those services.

### **2.1.8 Creation and maintenance of forest clearings**

- Ensuring living conditions for species associated with the forest clearings, as special forest habitats
- Maintenance of mosaic-character forest structure
- Preservation of landscape values.

### **2.1.9 Application of environmentally friendly materials handling methods,**

- Protection of forest soil, the remaining stand and the flora
- Ensuring the optimal developing process of the forest soil.

## **2.2 Alignment with the National Forest Programme**

The National Forest Programme (NFP) was accepted by the Hungarian Government in the Resolution 1110/2004 (X.27) in 2004.

The basic criterion of sustainable forestry is that the requirement for sustainable development should be enforced in the course of managing forests as distinct natural resources. In many ways, Hungary's forestry practices are among the best in Europe as far as sustainability is concerned.

After the change in Hungary's political regime, the expansion of private forests and the restructuring of agricultural farming called for the transformation of forestry and forest management, as well as of the forestry policies that had been followed previously. The NFP has brought about a national-level, cross-sectoral and recurrent political-planning process that foresees achieving an improvement in the following ten areas in the period 2006–2015.

1. Development of the management of state-owned forests. The structuring of such an institutional organisation of proprietorship and management needs to be capable of ensuring the provision of public-benefit services of the state-owned forest properties at a high standard and in the long term.
2. Development of the management of privately owned forests. By moderating the capital and asset shortages in the management of privately owned forests, the commencement of forest management activities of currently non-farmed lands should generate improvement in terms of the natural conditions and employment in 9 per cent of the country's area.
3. Rural and regional development, afforestation and the restructuring of forests. The afforestation of lands released in the course of the transformation of agricultural activities is foreseen to increase the extent of national forest properties, generate job opportunities, ensure continuous employment, contribute to the development of rural tourism and increase the quality of life in rural areas.
4. Nature conservation in forests. The protection of natural values and areas, the preservation of

the biodiversity of forests cannot be restricted to objects declared to be protected (e.g. species, habitats, areas), but the general protection and management of forest ecosystems with semi-natural forest management methods should be implemented.

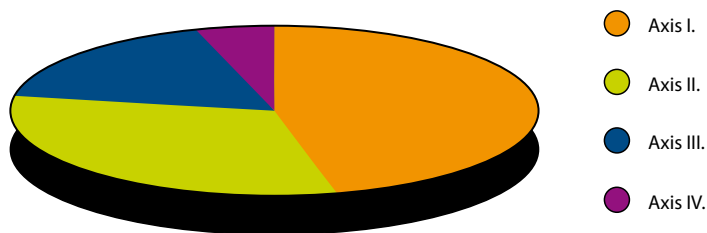
5. Modern forest protection. Forest protection featuring new approaches primarily focuses on the prevention of damage, the increased predominance of natural processes, as well as the enhancement of the self-regulatory abilities of forests.
6. Sustainable wildlife management. The wildlife management of the future is to be based mainly on natural populations. Enclosed game breeding may only have a supplementary role towards more efficient hunting.
7. Rational wood utilisation. With a view to ecological and economic aspects, the national economy is substantially interested in the intensified use of reproducible, environmentally friendly wood, and thus the improvement of the industrial and social utilisation of wood is a key element of the entire programme.
8. Tasks for forestry administration. The work of forestry administration is foreseen to be developed in a manner that, in the course of the enforcement of governmental intentions, social and professional requirements, should be observed to a maximum extent.
9. Research, education and production development. The development of research and education influences the adequate scientific establishment of the programme, and is regarded as a precondition of practical implementation. Due to their effects on production development, research and education have key roles in the programme.
10. Efficient communication about the forest towards the improvement of the human–forest relationship. The environmentally friendly influence of sustained forest management and the positive contribution by forest services should be demonstrated in meeting the requirements of natural conditions and social demands.

To deliver more towards these objectives, a stronger focus on environmental forestry measures is definitely necessary in the RDP.

In conclusion, the NRDP appears to be in line with the NFP – on paper at least – but its expected overall results are doubtful.

### **2.3 Alignment with the National Rural Development Strategy Plan**

The Hungarian Rural Development Strategy Plan gives only a general framework as to what needs to be done in relation to rural development in Hungary, and how the measures in EAFRD could help rural areas. It has hardly fulfilled the expectations which the European Commission considered such a strategy should have. It does not function as a real strategy. Its main message is that Hungarian agriculture needs more capital to become more intensive, economically competitive and concentrated. It lacks any real rural development element. The RDP can be considered to be in line with it, and Figure 3 shows proportionately how much money has been allocated under the different Axes.

**Figure 3 – Financial weight of the different axes within the RDP**

The Hungarian Ministry of Agriculture and Rural Development has declared that this is the last chance for Hungarian agriculture to obtain money from European resources, and to catch up with their western European competitors. As much as possible, therefore, each of the measures should serve this goal. This is best shown by the fact that the Hungarian Government has adopted the above percentages concerning the axes before the measures themselves were elaborated.

## 2.4 Alignment with the EU target 2010

The EU target on biodiversity loss is only mentioned in the programme where objectives of the forest environment submeasure ‘maintenance of forests for public welfare purposes’ are discussed.

The forest environment measure has the potential to contribute to the 2010 target on halting biodiversity loss. The measure is well elaborated, and it is hoped that it will expand in the future. However, environmental advisory services are not in place to promote this measure to the necessary extent. In this programme, the measure has only a minor financial share, which means that these practices will not be able to spread sufficiently until 2013.

As seen from the budget table above, the most significant effect of the programme will be the plantation of the black locust stands, which will do little to deliver the EU’s goals on biodiversity.

Large investments, as a consequence of measures such as ‘Increasing the economic value of forests’ and ‘Infrastructure development’ are likely to be made by competitive state forestry companies, which will continue their for-profit activities and go on pursuing many unsustainable practices, such as clear-cutting rather than selective methods, leaving no deadwood after harvesting. Even protected areas are endangered by commercial forest activities in some areas of Hungary. Attaining the EU’s 2010 objectives is not made any easier by the fact that no payments can be made for Natura 2000 forests.

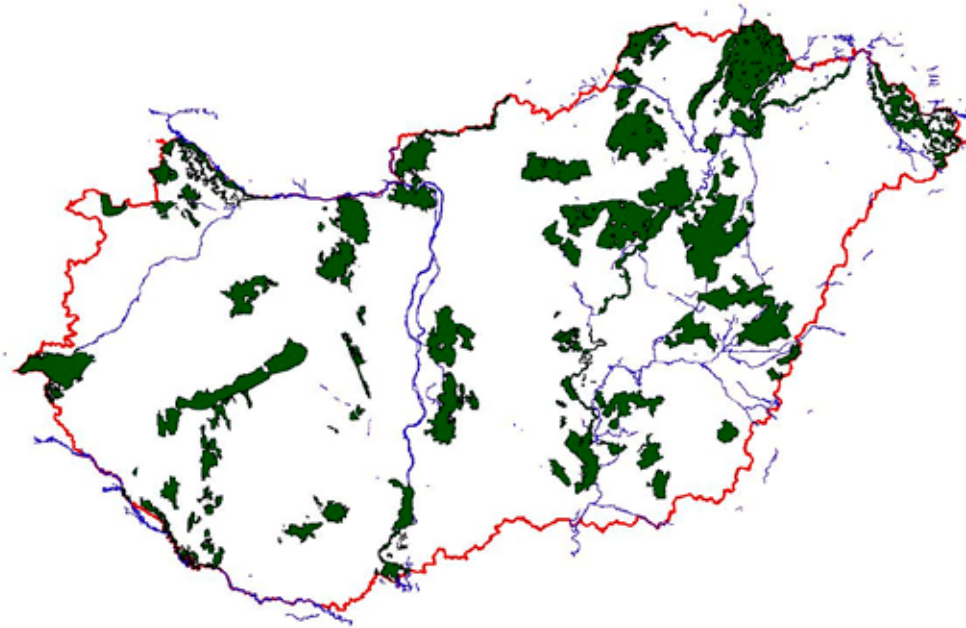
The budgetary weight of the different axes, as well as the forest-related environmental versus commercial measures, show that forestry practices will change for the better only marginally in the next seven years.

## 2.5 Alignment with Natura 2000 and other EU policies

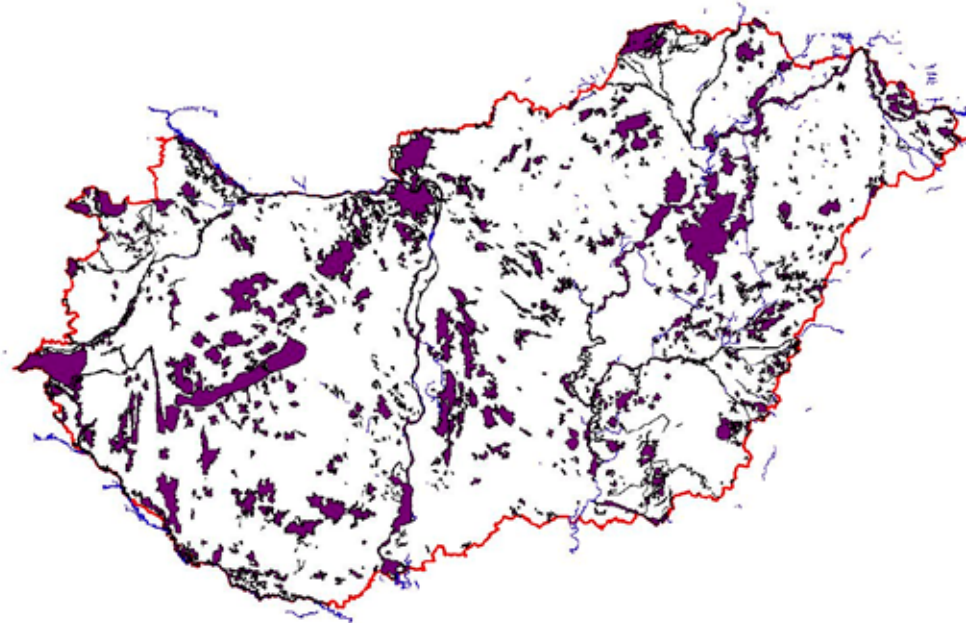
### 2.5.1 Natura 2000

The national regulation on the designation and on the detailed rules concerning Natura sites came into force in the autumn of 2004. It affects approximately 20 per cent of the country’s territory, doubling the size of areas under some kind of nature protection.

**Figure 4 – Map of Natura 2000 sites in Hungary according to Directive 79/409**



**Figure 5 – Map of Natura 2000 sites in Hungary according to Directive 92/43**



The European Commission has designated the sites as comprising part of the Pannonian Biogeographical Region, which includes Hungary, according to the Habitats Directive of autumn 2007.

However, no payments can be made so far on the basis of the designation of the Natura 2000 sites due to the fact that the Natura 2000 maps have not been synchronised with the Land Parcel Identification System. Therefore the big challenge is to finance the Natura 2000 network. According to estimates, the establishment and management of the network will cost around €8 million per year.

Some of its measures will make farming on Natura 2000 land advantageous, when applications for rural development payments are evaluated.

From the EAFRD, 200 management plans will be drawn up for the Natura 2000 network sites. This excludes forests, because the management plans relating to Natura 2000 forest areas will be included in the district forest plans. The preparation of Natura 2000 forest management plans will be financed from national resources.

The EAFRD contains provisions for compensation payments to be given for Natura 2000 grasslands. As far as forests are concerned, the experts could not define the basis on which these area-based payments could be made. The measure will not be launched until this definition is finalised. The same relates to wetlands.

### **2.5.2 FLEGT Action Plan**

The EU programme of Forest Law Enforcement, Governance and Trade is not mentioned in the RDP. Although illegal trade with bordering countries (e.g. Ukraine and Romania) may be an issue in Hungary, the RDP does not seem to be an efficient tool to make progress in the combating it.

### **2.5.3 Biomass Action Plan**

Regarding the Biomass Action Plan, biomass production can be subsidised, under the measure 'Investments in agricultural holdings'. Within the framework of this action, support is given to plantations with energy-producing purposes, including energy crops and arboreal plantations of short-rotation coppice for energy production.

The authority responsible for environmental protection, nature protection and water conservation takes measures as the competent authority during the licensing procedure of the plantation of the arboreal plantations of short-rotation coppice for energy production on protected natural areas. The plantation of the arboreal plantations of short-rotation coppice for energy production cannot be supported on Natura 2000 sites. This licensing procedure guarantees environmental compliance with regard to sustainability and biodiversity.

According to estimates, the targeted area of the 49,000 hectares will be probably found in the north-eastern part of the Great Plain, the northern and south-western parts of Hungary, and Central Transdanubia. Approximately €324 million will be spent on payments to promote biomass production.

The beneficiaries will need to obtain an official permit for planting arboreal plants for energy production purposes; and the permit will be issued by the specialist environmental authorities. The target group for this submeasure consists of approximately 25,000 farms.

### **2.5.4 EU Forest Action Plan**

The overall objective of the EU Forest Action Plan is to support and enhance sustainable forest management and the multifunctional role of forests. The Hungarian RDP contributes to this objective in many ways, though it would be more effective with a budget concentrated more on environmental issues.

Many measures of the Hungarian RDP are in accordance with several of the key actions defined in the EU Forest Action Plan, including the following:

#### **Key action 4: promoting the use of forest biomass for energy generation**

Using wood as an energy source can help to mitigate climate change by providing a substitute for fossil fuels, improving energy self-sufficiency, enhancing security of supply and providing job opportunities in rural areas. Around €324 million will be spent as part of this action, involving 25,000 farms.

#### **Key action 5: fostering cooperation between forest owners, and enhancing education and training in forestry**

A growing number of forest owners have the expertise and ability necessary to perform sustainable forest management. To combat this, around €13.5 million is expected to be spent on education and training between 2007 and 2013.

**Key action 7: contributing towards achieving the revised community biodiversity**

objectives for 2010 and beyond

See the section on 'Alignment with the EU target 2010'.

**Key action 9: enhancing the protection of EU forests**

To decrease the risk of forest fires, more than €8.2 million will be spent under the measure 'Restoring forestry potential', which is fully in compliance with this key action.

**Key action 11: maintaining and enhancing the protective functions of forests**

Measures such as 'Forest environment', 'Agro-forestry systems' and 'Non-productive investments' directly contribute to the objectives of this key action.

## **3 The process of developing the programme**

### **3.1 History of public participation in national programmes in Hungary**

When national plans were drawn up in Hungary, methods for involving the different layers of society either in the planning process or in the implementation phase had not been used for a very long time. All the institutions were used to working on their own, in a highly centralised way. As more and more strategic plans were drawn up, and civil society gained more and more power – and especially when plans started to be elaborated for the European funds with the obligation of public involvement – the usual practice of the authorities had to change. However, there are good and bad examples of this change; and unfortunately most of the authorities consider this requirement to be necessary only for reporting purposes.

#### **3.1.2 RDP 2007–2013**

A variety of methods are used for involving people.

1. Public consultations (in the form of roadshows) have been organised throughout the country, but the results of these are doubtful. Most of the people invited are not well informed on the issues discussed. Comments made during these events rarely have any significant effect.
2. At certain stages the strategic documents and plans are put on a website, and comments can be made regarding the different issues discussed. In most cases, however, the documents are available for a very limited period (e.g. five days in the case of the NRDP), not long enough to give a thorough opinion about it.

Unfortunately there is an overall lack of intention at the Ministry of Agriculture and Rural Development to draw up a strategy for public participation that could be used for any kind of planning process. Some improvements can be observed, and the Ministry does respond to the comments given by stakeholders, but there are issues which simply cannot be discussed. One of these is the budgetary allocation for the different measures. Therefore NGOs cannot really influence the overall objectives and priorities of either the strategy or the programme.

However, the expert opinion of NGOs is already being used. The adoption of the agro-environment measure, as well as the forest-environment measure, was preceded by a long consultation process in which forestry groups and NGOs were represented. The same relates to the Natura 2000 measures and certain measures under Axis 3.

The public participation process of the SEA was carried out by an environmental NGO. The first version of the SEA was open for consultation on their web page, and comments were sent to their address. In reality, though, the process was not much better than if it had been done by the Ministry. No response was given and only a very few of the comments were taken account of in the programme. The most important issues (budgets, priorities, synergies) did not seem to be open for consultation even in this case. The ex-ante evaluation was carried out without any public participation. At one or two stages selected partners (agricultural interest groups) were involved and asked for their input, but none of the NGOs were represented.

### **3.2 Composition of monitoring committees**

#### **3.2.1 History**

There is a single RDP for the whole of Hungary.



During the last period (2004–2006), there was a long debate on the composition of the NRDP and the ARDOP Monitoring Committees. The NGOs complained that MARD and the state sector have a majority in it, which makes voting predetermined. MARD argues that the most of the bodies represented in the committees are NGOs. However, most of these NGOs were selected in a way that ensures that government proposals can have a majority when they are voted on. This is apparent in the results of two votes, when the monitoring committee responsible for rural development spending voted for the reallocation of some of the NRDP budget to the top-up (national part) of the direct payments.

### **3.2.2 RDP MC 2007–2013**

For this period, two environmental NGOs were invited to take part in the first meeting of the RDP Monitoring Committee, which has not taken place yet. In the RDP, 74 members of the Committee are listed, only twelve of them NGOs. Serious debate is still expected to take place on the future composition of the committee.

### **3.3 Article 6 implementation**

According to Article 6, the member state shall designate most representative partners at national, regional and local levels and in the economic, social, environmental or other spheres, hereinafter known as ‘partners’. In Hungary a very small group of environmental NGOs (two or three) have been selected.

Article 6 requires that the partnership shall be involved in the preparation and monitoring of the national strategy plan and in the preparation, implementation, monitoring and evaluation of the RDPs. The member states shall involve all appropriate partners at the various programming stages, due regard being given to the time limit set for each step. In the RDP planning process in Hungary, powerful producer groups were often involved in decision-making at a very early stage. Environmental NGOs were only invited to elaborate certain issues, where the Ministry had no knowledge and did not want to build its capacities.

Therefore in our opinion the whole programming process was not in line with the spirit of Article 6.

## 4 Other RDP issues

The Hungarian RDP lacks clear, quantified environmental objectives and the indicators to measure these. There are some well targeted environmental measures, especially the agro-environmental and the forest-environment ones, whereas for example the LFA scheme completely failed to address the issue adequately. In addition, the plan has an overall production-based approach.

Advisory services are a major weakness for the whole agricultural sector, but particularly for rural development. Extension services on forestry are provided by the State Forest Service (SFS). The SFS is a governmental (budgetary) organisation working under the direct control of the Ministry of Agriculture and Rural Development. The SFS's sphere of activities covers the total area of the country. The SFS consists of ten directorates and their headquarters.

For the RDP, no regional planning is apparent; in other words, when the allocation of funds among the applicants is decided upon, there is only a single national scoring system for each measure. Little or no account is taken of regional interests, nor of the possible synergic effects of the different measures.

On the non-state side some successful initiatives exist, driven by NGOs, local municipalities, or the so-called regional managers, in most cases using funds from the Ministry of Environment and Water or foreign sponsors.

As for monitoring, only the initial steps have been made, and only for a very limited portion of the programmes. The selected indicators along which the monitoring can be carried out concentrate mainly on the direct outputs of the measures, i.e. on how these are taken up.

## 5 Summary

According to the RDP 2007–2013 for Hungary, significant amounts of European money (more than 11 per cent of the total RD budget) will be allocated to forest-related issues. Less than a quarter of this expenditure, however, is intended for purely environmental purposes; the share of the budget destined for commercial use, for maintaining forest cover and for increasing forestry is almost three times more. There are several environmental conventions, strategies, programmes and action plans, both in the EU and in Hungary, which put an emphasis on sustainable forestry. There are also challenges such as biodiversity loss, climate change and the spread of invasive species. With such a budget allocation, it is doubtful that all the objectives of these programmes will be met.

There are some forest-related measures that are strongly environmentally targeted, such as the ones on forest-environment and agro-forestry systems. Good environmental advisory services and bigger budget allocations are needed to make these successful, popular and more widespread. In a sector with such a long investment return period, sustainable forestry practices can only be promoted with these incentives.

Public participation mechanisms in Hungary do not have a long tradition. This was very clear in the way that the two RDPs were drawn up. The process was largely inaccessible, except to the consultants selected by the Ministry itself. Preliminary versions of the plans were available to the public, but there was no real intention by the Ministry to consider the public's comments. For the objectives and the design of some measures, a few stakeholders were asked. There was no overall strategy for involving them, however; it was very much dependent on the attitude of the official responsible for drawing up the measure.

Appropriate ways for involving stakeholders as well as the whole of society in the planning process need to be worked out. These include the following:

1. To ensure proper balance among farming organisations, state administration and the civil sector within the monitoring committees for RDPs
2. To put the latest version of the plan on the official internet home page of the Ministry
3. To identify the group of stakeholders to work with on different issues, provide them with the necessary information, build up and use their capacities.

In addition, to make RDPs environmentally effective, we recommend adopting the following principles:

1. To set up quantifiable environmental objectives, and to select and use measures to deliver them
2. To integrate the measures, and to make use of synergic effects
3. To start planning at a lower scale (i.e. regionally), and then to bring the plans into synthesis from the bottom up
4. To adjust the indicators to the quantified objectives
5. To use existing monitoring systems and networks
6. To improve the environmental knowledge of advisory services
7. To draw up a strategy for stakeholder involvement, and to keep the planning processes open from the start.

## **References**

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