

IV. EU AGENDA FOR INSTITUTIONAL DEVELOPMENT

PUBLIC INSTITUTIONS FOR AGRICULTURE

The Government Administration

Bulgaria inherited a Soviet-style agricultural administration designed to implement central planning objectives and direct a command economic system. After independence, the Governmental institutions in the sector have been reorganized several times. The Ministry of Agriculture, Food-processing, and Agrarian Reform (MAFAR) became the main institution responsible for agricultural policy. MAFAR, under the current structure, operates mainly according to the needs of a market economy and has regulatory, policy development, and service functions. At the same time the regional agricultural administration structure has to adjust to the needs of a market economy, by reducing their scale and restricting their operation to strictly regulatory functions.

MAFAR and the agricultural administration fulfill a wide range of task and functions: First, many functions of MAFAR are related to agricultural and food production. The Ministry:

- implements the national policy for development of plant growing, animal breeding, forestry and fisheries;
- implements the national strategy for food safety in cereals, fodder, dairy, meat, fruit and vegetable sectors. MAFAR also creates and maintains information systems and data basis and makes analysis referring to the developments of the agricultural, fisheries and forestry sectors;
- implements the national policy in developing irrigation in agriculture;
- co-ordinates and manages the regional agricultural offices and forestry services;
- co-ordinates the work on new quality standards on agricultural products; and
- prepares programs for conservation and restoration of land, etc.

Second, MAFAR is in charge of the restitution of agricultural land and forests and is responsible for maintaining and updating the legal and cadastral documentation on restituted land. Third, MAFAR has to fulfill environmental tasks by implementing the legislation on conservation of land and forests, by taking measures against erosion, etc. Fourth, it also promotes the restructuring of the agricultural sector by managing the privatization of some public and municipal agricultural enterprises; and by supporting the establishment of private farms, cooperatives, and associations as well as promoting market institutions like the stock exchange or wholesale markets. Fifth, in the area of economic and trade policy, MAFAR undertakes analysis and programs for development of agriculture, fisheries and forestry; makes proposals on policy measures such as institutional prices, taxes, duties, insurance, credits and guarantees; implements the adopted national investment policy in agriculture, forestry and fisheries; and prepares

situation-outlook reports on the agricultural markets. A sixth role of the state in the agro-food sector is that of research and development.

Another very important area of functions is that of integration policy, foreign trade and international relations. In short, MAFAR organizes the work on and implementation of the basic legal framework for harmonization with the *acquis communautaire*; and provides the mechanisms for the enforcement of this legislation. The most important areas of integration are discussed below. In addition, the Ministry also takes responsibilities in the agricultural part of other bilateral and multilateral negotiations, and represents Bulgaria in a number of specialized international organization and bodies.

Specialized functions are carried out by several subordinate bodies. These bodies might have a separate budget such as the National Veterinary Service and the National Crop Protection Service, but report to MAFAR. In total, the staff of these subordinate bodies amounts to almost 7,000. Furthermore, a staff of another approximately 6,500 is responsible for education.

The agricultural administration has recently undergone considerable changes in the light of EU accession, including a change in its name to Ministry of Agriculture and Forestry. The new organization is shown in Table 33.

Table 33: Number of Employees in Agricultural Administration

MINISTRY OF AGRICULTURE AND FORESTRY

	No.
MINISTER	
<i>POLITICAL CABINET</i>	
HEAD OF CABINET	1
DEPUTY MINISTERS	4
PARLAMENTARY SECRETARY	1
HEAD OF PUBLIC RELATIONS DEPARTMENT	1
CHIEF SECRETARY	1
<i>GENERAL ADMINISTRATION</i>	
1. FINANCIAL-ECONOMIC ACTIVITIES AND OWNERSHIP MANAGEMENT DIRECTORATE	25
1.1 Accounting Department	6
1.2 Economic Activity Department	17
2. LEGAL – ADMINISTRATIVE AND INFORMATION SERVICES DIRECTORATE	35
2.1. Office Work and Records Sector	23
2.2. Public Relations Sector	2
2.3 Human Resources Sector	5
2.4. Defense-mobilisation Sector	3
TOTAL	60

SPECIALIZED ADMINISTRATION	
1. STRUCTURAL POLICY CHIEF DIRECTORATE	326
1.1 Agro-statistics Department	7
1.2 Regional Policy Department	10
1.3. Information Services and Technologies Department	15
1.4 Regional Offices on Agriculture, Forestry and Agrarian Reform	292
2. LEGAL DIRECTORATE	21
3. FINANCIAL POLICY DIRECTORATE	18
3.1. Budget	10
3.2. Investments	6
4. LAND AND LAND OWNERSHIP DIRECTORATE	55
5. MARKETING AND TRADE POLICY DIRECTORATE	22
5.1. Marketing	7
5.2. Trade Policy and Analysis	14
6. INTEGRATION POLICY DIRECTORATE	30
7. INTERNATIONAL RELATIONS DIRECTORATE	14
8. RURAL DEVELOPMENT DIRECTORATE	17
8.1 SAPARD	7
8.2. Investments in Agriculture	8
9. AGRICULTURE DIRECTORATE	22
10. PRIVATISATION, RESTRUCTURING AND STATE OWNERSHIP DIRECTORATE	25
11. EDUCATION, SCIENTIFIC RESEARCH AND ADVICE DIRECTORATE	14
12. INSPECTORATE	9
TOTAL	573

The 1999 budget of the MAFAR is shown in **Table 34**. The “general budget” column shows the amount that each agency gets from the treasury, and the “own revenues” is the amount that the agency collects in fees for its services which it is allowed to keep to fund itself. The table indicates that quite a large share of the operating expenses of many of the sections of the MAFAR are covered by fees. In general, this is poor budgetary practice. Fees collected by government agencies should go into general revenues, and each agency should be funded at an appropriate level, which would depend on considerations largely independent of its revenue-generating capacity. In addition, many (though not all) activities with substantial revenue-generating capacity should be considered candidates from privatization. This is an important issue, given the size of some of the own-revenue funding of some agencies. The tendency for own-revenue funding has evolved because of Bulgaria’s very scarce budget resources, and it has shown some trend toward reducing reliance on own revenues. But in any case, this should be addressed in MAFAR’s reorganization plans.

Veterinary and Livestock Services

A great share of EU legislation in this area has already been adopted, although some areas, in particular animal registration, remain. Adopting legislation intended to improve the veterinary control, to provide for the fulfillment of the sanitary and hygiene requirements to the production and trade in meat, milk, meat products and milk products, and to effect measures for animal health protection and eradication of animal diseases is a priority in the process of alignment with the Internal Market Acquis. The Law on Veterinary Activity (SG 42/5.05.99) sets the legislative framework and provides a legal basis for further introduction of the key veterinary legislation of the EU. It regulates the subject and range of veterinary activity, the financing of veterinary activity, veterinary education, science and diagnostics, basic norms for veterinary activities, etc.

The legislation is mainly institutionalized through the National Veterinary Service (NVS), a state body responsible to the Agriculture Minister, but financially separated. Its main function is safeguarding both animal and public health. Public health protection is mainly focused on the observance of strict hygiene requirements and the technical innovation of the agro-food industry, which some view as having been completely neglected in recent years.

Within NVS, Bulgaria is divided into 28 regional veterinary services employing 2880 staff in total, of whom 1514 are veterinarians. Public health control units employ 1164 people, 703 of whom are veterinarians. There are 263 employees in the Border Veterinary Control Inspectorate, of which 149 are veterinarians. These units are responsible for the control of food and other products of animal origin. Procedures are underway to transfer public health control of animal products to producers themselves. At a later stage producers will certify the quality and safety of their produce once the HACCP system has been implemented in their establishments.

Table 34: Budget of MAFAR Departments

Budget Credits Users	1999 Budget			
	Total	General budget	Own revenues	% of budgetary financing
MAFAR - Head Office	65,223,591	55,181,254	3,917,124	84.60
Agricultural Academy	49,498,181	11,036,899	38,403,710	22.30
National Veterinary Service	32,040,642	5,281,585	26,659,057	16.48
National Service for Livestock Selection & Breeding	6,994,949	1,515,772	5,479,177	21.67
National Forestry Department	674,116	624,116	50,000	92.58
District Departments Agriculture, Forestry & Agrarian Reform	1,283,267	1,283,267	0	100.00
National Soil Service	205,119	174,119	31,000	84.89
National Service for Plant Protection, Quarantine & Agro-Chemistry	9,789,185		9,789,185	0.00
National Grain Service	571,710	0	571,710	0.00
State Sorts Commission	1,371,864	569,355	802,509	41.50
Chief Inspectorate for Field Testing and Seeds Control	698,062	540,173	157,889	77.38
Chief Land Reform Department				
Institute on Rose, Essential Oils Plants and Herbs	373,828	0	373,828	0.00
National Agriculture Council				
National Service for Wines and Alcoholic Beverages Licensing				
State Testing Centers for Agricultural and Forestry Machinery – Plovdiv and Rousse	340,072	305,072	35,000	89.71
State Fisheries Inspectorate	750,319	348,819	401,500	46.49
Hale Control Department	5,138,252	4,686,742	541,510	91.21
Technical Control Inspectorate	486,497	265,497	221,000	54.57
Vocational Schools	22,791,256	21,796,289	994,967	95.63

* Ministry of Agriculture Forestry and Agrarian Reform.

Implementation of the veterinary acquis will provide a basis for the introduction of GMP, the basis of the HACCP system. NVS will monitor the implementation of the HACCP system, provided staffs have undergone the needed training. At present, neither producers nor public health inspectors have adequate knowledge and competence to apply the HACCP system. The HACCP system and zoonosis control practices must be implemented in the agro-food sector. Bulgarian veterinary authorities have successfully drawn up a Residue Monitoring and Sampling Plan that has been approved by EU experts and is currently in operation.

Plant Protection

Control of the production and trade in plant protection preparations and of laboratory and diagnostic activities is a top priority. Their importance stems from the future role of Bulgaria as an external border of the enlarged EU. The National Plant Protection Quarantine and Agro-chemistry Service (NPPQAS) is responsible for the organization and exercise of phyto-sanitary control, import and export quarantine measures, production and storage requirements and the movement and trade in plant

products. The NPPQAS laboratories in Sofia are very well equipped and staffed. The control service carries out analytical checks on seed materials, plant products, agricultural chemicals, soil and water.

Seeds, Crop Protection and Fertiliser

Quality of seed production is controlled by the 439 staff and 26 regional inspectorates of the Implementing Agency for Variety Testing, Certification and Seed Control (IACTASC)), an organization under MAFAR. The organization carries out the full range of activities normal in a modern seed certification system: field inspection, seed sampling, seed testing, post-control, approval of seed lots and enforcement of the seed laws.

It is also responsible for variety testing and national listing. IACTASC has been successful in ensuring that seed quality is maintained, and in some areas, e.g. hybrid maize and sunflower, improved, during the seed industry's transition. The outcome of the transition process are a large number of private seed producers, processors and traders. The role of these agencies will need to be evaluated in light of Bulgaria's automatic acceptance of varieties in the EU Common Catalog.

The privatization process of the fertilizer and crop protection chemicals industry will soon be completed. Few fertilizer companies provide a comprehensive service involving spreading or soil injection, and advice of integrity. The market seems to demand such a service. The National Agrochemical Centre has a research and an extension role, the latter one being largely self-financed.

Food Safety and Control Services

The following bodies carry out activities related to food control within MAFAR: 1) National Veterinary Service (NVS); 2) Public Health Control Service (PHCS); 3) State Veterinary and Sanitary Inspection (SVSI) (28 regional districts); 4) Border Veterinary Control Inspectorate (BVCI); 5) State Fisheries Inspectorate (SFI); 6) National Animal Selection and Reproduction Service (NASRS); 7) National Service for Plant Protection, Quarantine and Agrochemistry (NPPQAS); 8) National Grain and Grain Feed Control Inspectorate (NGGFCI). The State Sanitary Control (SSC) and the Hygienic-Epidemiological Inspectorate (HEI) are reporting to the Ministry of Health. Under the Ministry of Economy there is the National Committee on Trade, Registration Regime. The Ministry of Economy controls licensing and control of production of wines, alcohol and alcoholic beverages. The Committee on Standardization and Metrology (CSM) controls registration under the Bulgarian Standardization Institute (BSI).

The Public Health Control Service (PHCS) is responsible for the safety and quality of food production, storage and sale of raw materials and products of animal origin as well as the avoidance of zoonoses. It has the responsibility for veterinary and sanitary surveillance of animals, food products of animal origin, raw materials, animal feed, and the establishments where these products are produced, processed or stored. In addition, PHCS is responsible for certifying the quality of exported and imported products of animal origin.

At present, there are 109 public health control laboratories, 34 of which are located within establishments on a permanent basis. Most of the equipment in these laboratories is outdated, which limits their ability to meet the control responsibilities placed upon them by the Government. PHCS laboratories scattered throughout Bulgaria have been reduced from 150 to 109 and the trend is for further reductions and further strengthening of the capacity of the remaining laboratories.

The recently adopted Veterinary Act provides public health control on a permanent basis in slaughterhouses, large meat and poultry meat processing establishments, dairies and food canning establishments. These inspectors will be MAFAR salaried and trained controllers rather than personnel provided by the plant, as was the practice in the past. Public health control in small and medium-size meat and poultry processing establishments, dairies, food canning and honeybee production establishments will be on a day-to-day basis of scheduled inspections.

General Agricultural Statistics

The development of a reliable and systematic statistical data base is defined as a key priority of the legislative and administrative program due to the fact that this statistical information forms an essential basis for the implementation of agricultural policy, including the implementation of the structural measures and the implementation of the CAP mechanisms. In October 1998 the results from an area frame sampling survey, on the Bulgarian agricultural and economic activity (a survey on the usage and level of occupancy of the territory) were obtained. A nomenclature, compatible with the Land Use part of the EU New Cronos nomenclature was produced. The methodology and the results were approved by EUROSTAT. In April 1999, the MAFAR adopted a new structure for its agricultural statistics departments to implement the legislation and practice of EU in the field of agrostatics. A Memorandum of Understanding between MAFAR and the National Statistical Institute was signed to clearly divide the tasks. This has to be seen as an important step in regard to ensure the sound functioning of the overall agricultural statistics. A Plan for the Development of the Agrostatics Until the Year 2002, setting out priorities, aimed at structural improving of the agrostatics, and introduction of the surveys, required by the EU legislation. The Plan has also been approved by EUROSTAT. Additional databases important for EU integration are the following:

- Farm Accountancy Data Network. This network is in the process of being established. An agricultural census took place in 1993; and the next is foreseen in 2000. A register of farms in receipt of subsidy will be set up and a new classification of farms will have to be established. The size of farm samples (150 in 1997) is expected to rise to 500 farms in the year 2000. Many other parts of a complete FADN still has to be created, improved or harmonized with EU standards.
- Economic Accounts for Agriculture. The Bulgarian MAFAR has compiled Economic Accounts for Agriculture (EAA) according the EUROSTAT methodology since 1994. For setting up EAA the new EUROSTAT approach is already applied. Therefore Bulgaria is one of a few central and East European Countries which are applying the EAA approach in full accordance with the EU approach. This allows the comparison

of the economic results of Bulgarian agriculture with those of existing EU-member states and neighboring CEEC's. Economic Accounts for Agriculture are set up in close collaboration between the Ministry of Agriculture and the Statistical Institute.

- **Market Information.** In 1993, an Agricultural Market Information System with 8 regional offices was established. It is collecting, processing, analyzing and providing daily information on fresh fruit and vegetables prices; weekly information on regionally differentiated prices of main agricultural products; monthly price information on the prices of fertilizers, chemicals, seeds and seedlings, machine services, water for irrigation, agricultural machinery. In addition, the Agricultural Market Information System is providing consultancy and marketing research services on commercial terms. The system functions well, but is not used to its full potential because of the perception that information (especially on prices) is not timely.

Agricultural Advisory Services

The agricultural extension system in Bulgaria, most importantly the **National Agricultural Advisory Service** (NAAS) is subordinated to MAFAR and was established, in its present form, only at the end of 1995. There are 130 people working for the NAAS, none of whom is a professional extensionist, because up to 1998 there was no extension or training system for these tasks. Rather, extension staff are part time or adapted academics and researchers. A three tier structure for extension is currently being put in place. It is composed of 30 Local Advisory Offices each staffed by three professionals, 9 Regional Advisory Offices corresponding to the nine administrative regions of the country, each staffed by five professionals, and a national level, administration by the MAFAR Research and Education Department, Extension Service Section, which is to be advised by a Consultative Council for Co-ordination of Extension Activities. In addition, there are four national centers: a Training Center, an Information Center, an Agribusiness and Accountancy Center, and a Soil Analysis Laboratory, and three specialized services: Plant Protection, Irrigation and Drainage, and Wine Regulation.

The NAAS uses four specific methods in its daily work: mass media, meetings, training courses, conferences, etc., and demonstration farms and fields. Personal meetings are a desirable goal but not widely affordable at present, and may never be unless farmers are prepared to pay for them. Although this structure promises to be a solid foundation in the long term, certain negative factors have to be addressed urgently if the NAAS is to be converted into something that emerging private farmers recognize and value. The main improvements needed are a division of present staff according to their strengths, better time management, and a clearer definition of the roles of extension and research. In addition, the NAAS is currently supported entirely by the State, with ongoing technical and financial support from PHARE; this situation may not be sustainable. Pursuing a considerable share of self-financing of the advisory services could make the NAAS more sustainable and, by being more responsive to demand, of greater value to farmers. An FAO study found that a number of farmers would indeed be willing to pay for good extension service. In the medium term, the Government extension service should be downsized to encourage development of private sector provision of extension services.

Much of the extension work to large commercial farmers would then be carried out on a fee-for-service basis by former employees of the NAAS, acting as private agents.

Agricultural Research and Education

Bulgaria has a well-developed agricultural research system which was created according to the needs of a centrally planned, command economy. The system includes 66 research institutes, including 22 experimental stations. This system is definitely oversized and not attuned to the needs of private agriculture. In general, they are underfunded and poorly equipped. Their current activities are dominated by efforts to solve funding problems rather than carrying out longer-term research projects.

The reform of agricultural research system is an immediate priority. A PHARE-funded comprehensive study on agricultural research and extension prepared in the early nineties proposed radical and far-reaching reforms. These recommendations, however, have not been implemented and the agricultural research system is still waiting for a comprehensive reform which has already been accomplished in most of the front-running, CEEC EU candidate countries.

The current government and the MAFAR is engaged in a dialogue on the reform of the agricultural research system. There are several proposals which indicate that MAFAR is seeking a solution under the umbrella of the Ministry. The other CEE experiences highlight the importance of a comprehensive reform of the whole research system including its financing and institutions. The agricultural research cannot and should not be treated separately from the rest of the national research systems.

In the reforms in other CEE countries, the future of the Agricultural Academy of Science is being handled as a part of an overall package which also includes the redefinition of the role of the Ministry of Agriculture. The activity of the Ministry of Agriculture is being restricted to partial funding and priority setting, and does not include direct involvement in research management. At the same time, the Agricultural Academy of Science, as a research management organization, is being dismantled. The representation of agricultural science is being moved to the general Academy of Science while competitive financing becomes the major mode of financing of the remaining institutes.

In Bulgaria, there have been more changes made in the realignment of agricultural education to the needs of the new conditions than there have been in the research area. According to a recently adopted law the Agricultural Academy will be restructured and called Centre for Agricultural Sciences. The job, however, has not been completed yet. There is an increasing interest in vocational schools and other forms of training which provide courses for private farmers. There is also a need for a comprehensive program in agricultural education to prepare the country for EU accession.

THE INSTITUTIONAL CHALLENGE OF EU MEMBERSHIP IN AGRICULTURE

According to the European Council in Copenhagen in June 1993, EU membership requires the institutional ability to fulfill all the obligations of membership. The new member countries, including Bulgaria, have to be able to implement all the rules and regulations (the '*acquis communautaire*') of the Union. As noted above, Bulgaria has advanced rapidly in many areas, including adoption of legislation in the field of veterinary and livestock services, and establishment of an EU-conforming statistical system. But there is action required in a number of other institutional areas to meet the requirements for accession, as outlined below.

General Requirements

The establishment of the '*acquis communautaire*' requires the legal adoption of primary and secondary EU laws as well as the institutional setting for their execution. At the core of EU legislation are the four freedoms (free movement of goods, services, capital, persons). Bulgaria's liberal price and trade approach will assure no difficulties in adopting EU legislation concerning the abolishment of barriers with the EU. At the same time, Bulgaria will face considerable problems in establishing effective customs control for trade with third countries. Since some of its land borders will become EU borders at the point of accession (Yugoslavia is not an EU association country, Turkey will not participate in the current round of EU negotiations on accession) Bulgaria will have some difficulties in effectively protecting its long borders, especially ensuring adequate veterinary infrastructure to manage livestock inspections and control disease.

More important, there are many more requirements for the establishment of a common and well functioning market than to abolish internal barriers and protect the market at its borders. A wide range of institution building is necessary to meet the rules on competition and tax measures (competition law, establishment of anti-trust and state aid monitoring authorities), the opening-up of public works, supply and service contracts, harmonization of the rules on intellectual property (including the European patent), harmonization of the rules on company law and accountancy, protection of personal data, transfer of proceedings and recognition of judgments. According to the Agenda 2000 assessment of Bulgaria, the main efforts have to be made in the fields of the process of approximation in the area of public procurement, of meeting all the requirements of the Public Procurement Directive, and in the fields of intellectual and industrial property.

In the area of food and agriculture, the most important issue for the free movement of agricultural products is the standardization and conformity assessment, as well as implementation and enforcement of veterinary and phyto-sanitary requirements, and protection of the EU external borders according to these requirements. In order to comply with these general requirements in the food and agricultural sector, legal harmonization, institutional development, and investments are equally needed. The fragmentation of livestock units and poor farm registration and animal identification systems are serious obstacles, especially because of the threat of the spread of exotic diseases from the

Mideast, via Turkey. Bulgaria has a long way to go in reaching full compliance with these requirements.

The harmonization of national law with EU law requires not only immense efforts at the level of food processing but also in agriculture. This requires the harmonization of Bulgarian law in the fields of regulations on veterinary health, plant health, and animal nutrition. According to local estimations, the legal harmonization for food safety and standards is only about 60% completed. There have been several drafts prepared for additional legislative improvements and EU directives are often implemented without a legal basis. Legislation for biotechnology and genetic engineering is missing, and an improved legislation on animal welfare is a further requirement for EU accession is under preparation. According to the Agenda 2000, legislation has to be further harmonized in the fields of animal nutrition, plant protection products and organic farming; pesticide residue monitoring has to be improved.

The implementation of these laws can only be achieved by the enlargement and improvement of a net of laboratory facilities and an efficiently functioning official veterinary service. New institutions must enforce EU legislation in the internal market to implement effective certification procedures, animal identification systems, and to impose controls at border inspection points. There has been significant progress in setting up institutions and border stations for veterinary, phyto-sanitary, and food control which meet EU standards. The bulk of the work has yet to be undertaken, however. Significant EU-PHARE support has been provided for these tasks. For example, with the help of EU-PHARE, Bulgaria is in the process of establishing the Hazard Analysis Critical Control Point (HACCP). PHARE has also recently approved a 3.6 million Euro grant for new information systems and laboratory equipment related to veterinary laboratories and another 1 million Euro for twinning arrangements with veterinary services in Italy to develop norms for border controls and relevant policies. The overall assessment however, indicates that while progress is being made, improvements required in administrative structures and capacities are still needed.

Institutions Necessary for Implementing CAP

The information system, including the monitoring of developments in the sector, as well as changes in the markets, is another critical component of the institutional framework. The current needs of managing agricultural markets and the EU accession specifically, require a speedy development of a modern, EU-conforming agricultural statistical information system. Some elements of the EU-conforming information system are already in place, however, the current situation is far from adequate. The information provided is not fully reliable and not up-to-date, resulting in delayed and inaccurate policy decisions. Immediate improvement is needed and can be achieved by the use of survey methods to get information on evolving farming structures and changes in the supply and demand situation.

In the near future, the implementation of the CAP will be the most significant new challenge for the evolving national and regional agricultural administrations. Although the CAP is solely decided at the EU level, it is implemented in the member countries and partly administered by national authorities. Therefore, Bulgaria has to be able to execute

the CAP at the time of accession. Moreover, the CAP does not cover all areas of agricultural policy. Some are left to, and determined by, the member countries (social policy, e.g. insurance system for farmers, etc.) and others are in the competence of both the EU and the member countries (environmental measures, structural measures). These national policies cannot be contradictory to the CAP. Furthermore, in recent years a tendency can be observed to reinforce national measures and to broaden the degree of freedom of the individual member countries for implementing EU decisions on the CAP.

Bulgaria has a modest support program for agriculture which is, in general, not based on CAP like policy instruments. Bulgaria has a partially restructured administrative structure and limited administrative capacities for the implementation of the CAP. However, management and control of main CAP market instruments (dairy quotas, base area, set-aside, compensatory payments, premiums for male cattle) as well as certain rural and structural development programs require sophisticated administrative systems. An administratively strong Ministry of Agriculture, including regional institutions and operating based on a different philosophy than is currently used, is needed for the adoption of the CAP.

The implementation of CAP requires an ability to oversee and manage all CAP instruments in a consistent manner and to be able to interact with Brussels to fully obtain all EU funds due to Bulgaria. In order to achieve this, eventually a controlling center, such as an intervention agency, must be established and made operational. It is essential that up-to-date information is available on the operation and status of the farming sector. This requires the establishment of a farm registry which would cover all farms and methods of production to clearly identify the beneficiaries of the various EU support programs. In addition, other information databases like an appropriate land register and cattle identification and registration systems, are also of vital importance to give MAFAR the ability to provide information for Eurostat.

All this cannot be achieved without considerable strengthening of the administrative structures. It is important to remember that Bulgaria is still in the first phase of this process. It cannot be overlooked that the administrative costs of implementing EU regulations in the field of agriculture are immense. The EU enlargement will mean a considerable increase in both the number of administrative staff and their education, in particular in the fields of EU legislation. One should also emphasize that a delay in institutional preparation in agriculture would lead, at a minimum, to a delay in obtaining CAP funds, but might also lead to a delay in the overall accession. But, at the same time, it must also be noted that in Bulgaria's current economic situation, there should be no rush to implement CAP-like support programs, particularly since it is very unclear what these programs will be like in the EU at the time of Bulgaria's accession. The focus should be on setting up the administrative infrastructure, rather than the beginning implementation.