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# RURAL DEVELOPMENT AND ENVIRONMENTAL ECONOMICS IN HUNGARY BETWEEN 2007-2013

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#### **Abstract**

This new financing mechanism accepted by the EU for the rural development is consisting of four general sections in Hungary under title of the 'New Hungary' Rural Development Strategic Plan (NHRDS), which is termed between 2007 and 2013. Within this Plan EAFRD of the EU has provided 5 billion EURO equally with 1.300,- billion HUF for rural development in Hungary since 2007. One of four elements is "Improving the environment and the countryside", which this case-study focuses on.

The new strategic conception is to realise the restructure of the energy sector, by transferring from fossil energy to natural renewable energy resources, by the hand, which can be produced in the agricultural sectors, for example biomass, concentrated methane from silo energy plant, bioethanol from maize, bio-diesel from rape and by the other hand, namely other natural resources, like water, wind and sun. The expert suggested to extent use of bioethanol, as fuel for using motors, its production for interest of environmental conservation.

The European Commission's proposal decides that the member states should *increase the portion of renewable energy* from 6,38 % in 2005 at least to 12 % by 2010 and to 20 % by 2020. The EU demands a very intensive increase rate for the renewable energy production.

Mátra Energy Station provides 15 % of all Hungarian electric energy. The Mátra Power Station will have achieved aim targeted by the EU for Hungary to decrease carbon-dioxide (CO<sub>2</sub>) emission by 20 % thanks for new technologies by 2009, instead of original deadline of 2020. This result will make possibility for the Power Station to decrease his CO<sub>2</sub> emission by 90 % based on the result of 2003 until 2020.

It is important to make and adequate and moderate diversity of energy resources, and to keep the balance between the food plants and energy plants for bio-energy. Also according to latest research results, about between 4 and 30 ton of biomass are in each hectare of land, and any decrease of biomass or human change in soil structure can lead to destroy the plant culture with large natural damages.

**Key words:** EAFRD, EU demands, Environmental conservation, Water management, Renewable energy 'New Hungary' Rural Development Strategic Plan (NHRDS)

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