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List of Abbreviations

AAC – Ambient Air Quality;	ESFS – European System of Financial Supervision;
ASA – Amending and Supplementing Act;	ESIF – European Structural and Investments Funds;
BAS – Bulgarian Academy of Sciences;	ESL – Early School Leaving;
BCP – Border Crossing Points;	EU – European Union;
BDA – Bulgarian Drug Agency;	EU ETS – European Union Emissions Trading System;
BNB – Bulgarian National Bank;	FACA – Family Allowances for Children Act;
CA – Commerce Act;	FCIS – “Fuel Control” Information System;
CA – Customs Agency;	FCP – Fiscal Control Posts;
CAIS – Centralised administrative information system;	FSC – Financial Supervision Commission;
CC – Cervical Cancer;	GA – Grant Agreement;
CCs – Competence Centres;	GDP – Gross Domestic Product;
CCSCDCD – Centre for Comprehensive Service for Children with Disabilities and Chronic Diseases;	GHFR – Goods which involve high fiscal risk;
CE – Centre of Excellence;	GIS – Geographic Information System;
CHRDRI – Centre for Human Resources Development and Regional Initiatives;	GRANT – Grant;
CIP – Climate Investment Programme;	HIA – Health Insurance Act;
CITA – Corporate Income Tax Act;	IBRD – International Bank for Reconstruction and Development;
CMD – Council of Ministers Decree;	ICA – Intra-Community acquisitions;
CoM – Council of Ministers;	ICSG – Intra-Community supply of goods;
CoM – Council of Ministers;	ICT – Information and Communications Technologies;
CoM Decision – Decision of the Council of Ministers;	IIS – Insolvency Information System;
CP – Clinical Paths;	ILO – International Labour Organisation;
DG COC – Directorate General for Combating Organised Crime;	IPA – Investment Promotion Act;
DGBP – Directorate General “Border Police”;	ISMMEUF – Information System for Management and Monitoring of EU Funds;
DGNP – Directorate General “National Police”;	ISSS – Innovation Strategy for Smart Specialization;
EA AA – Executive Agency “Automobile Administration”;	JRC- Joint Research Centre;
EA MS – Executive Agency “Medical Supervision”;	LOD – Labour Office Directorate;
EC – European Commission;	LTFA – Local Taxes and Fees Act;
ECB – European Central Bank;	LMML – Law on the Measures Against Money Laundering;
EDTWA – Excise Duties and Tax Warehouses Act;	MB – Management Board;
EE – Energy Efficiency;	MES – Ministry of Education and Science;
EEA – European Economic Area;	MGT- Mammary Gland Tumour;
EIOPA – European Insurance and Occupational Pensions Authority;	MH – Ministry of Health;
EP – European Parliament;	ML – Money Laundering;
EPA – Employment Promotion Act;	MLSP – Ministry of Labour and Social Policy;
EPALE – Electronic Platform for Adult Learning in Europe;	MPHMA – Medicinal Products in Human Medicine Act;
EPSR – European Pillar of Social Rights;	MS – Member States;
ERDF – European Regional Development Fund;	MTITC – Ministry of Transport, Information Technology and Communications;
ESB – European Supervisory Board;	NRA – National Risk Assessment (of Money Laundering and Terrorist Financing);
ESF – European Social Fund;	NBBMI – National Bureau of Bulgarian Motor Insurers;

NEAP – National Employment Action Plan;
NEETS – young people outside the employment, education or training system;
NFC – National Framework Contract;
NHIF – National Health Insurance Fund;
NHIS – National Health Information System;
NIF – National Innovation Fund;
NLLS – National Lifelong Learning Strategy;
NRA – National Revenue Agency;
NRP – National Reform Programme;
NSPs – National Scientific Programmes;
NT – National Target;
NTEF – National Trust Eco Fund;
OECD – Organisation of Economic Co-operation and Development;
OP – Operational Programme;
OPE – Operational Programme “Environment”;
OPGG – Operational Programme “Good Governance”;
OPHRD – Operational Programme “Human Resources Development”;
OPIC – Operational Programme “Innovation and Competitiveness”;
OPRG – Operational programme “Regions in Growth”;
OPSESG – Operational Programme “Science and Education for Smart Growth” 2014-2020;
OPTTI – Operational Programme “Transport and Transport Infrastructure” 2014-2020;
PA – Priority Axis;
PAMES – Prior Administrative Measure “Establishment Sealing”;
PITA – Personal Income Tax Act;
PLMP – Positive List of Medicinal Products;
PO – Policy Objective;
PPA – Public Procurement Act;
PSEA – Pre-school and School Education Act;
R&D – Research and Development;
RBMP – River Basin Management Plans;

RCSIE – Regional Centre for Support of Inclusive Education;
RDF – Refuse-derived fuel;
RHI – Regional Health Inspection;
SANS – State Agency for National Security;
SB – State Budget;
SCIS – Single Court Information System;
SDG – Sustainable Development Goals;
SDP – Strategic Development Policies;
SEBGCVT – State Enterprise Bulgarian-German Centre for Vocational Training;
SEGA – State eGovernment Agency;
SG – State Gazette;
SIC – Social Insurance Code;
SIP – Single Information Point;
SMEs – Small and Medium-sized Enterprises;
SPAEAS – Single Portal for Access to Electronic Administrative Services;
SPIF – Supplementary pension insurance fund;
SR – Specific Recommendation;
SRF – Scientific Research Fund;
SRSO – Structural Reforms Support Office;
SRSP – Structural Reform Support Programme;
TEN-T – Trans-European Transport Network;
TF – Terrorist Financing;
TMC – technical means of control;
TSIPC – Tax and Social Insurance Procedure Code;
TUFA – Total Useful Floor Area;
TW – Tax Warehouses;
UN – United Nations;
VAT – Value Added Tax;
VATA – Value Added Tax Act;
VET – Vocational education and training;
WSS – Water Supply and Sewerage;
WWTP – Wastewater Treatment Plant;
YEI – Youth employment initiative;

Introduction

The update of the NRP for 2020 is being prepared in the framework of the enhanced monitoring of economic policies in the EU. The document takes into account the findings of the 2020 Country Report for Bulgaria, the Annual Strategy for Sustainable Growth 2019 and the Alert Mechanism Report, launching the European Semester for 2020 and strengthening the focus on the new EU initiative, the Green Deal, to make the EU a sustainable and climate-neutral economy by 2030. Bulgaria is focusing on the implementation of the measures addressing the Council's specific recommendations on the macroeconomic imbalances identified by the European Commission, and in 2020 the country is placed in "no imbalances" category for the first time since the introduction of the Macroeconomic Imbalances Procedure in 2012. The NRP focuses on areas of the Country Report where limited or some progress has been noted, as well as where progress is substantial but the recommendations have not yet been fully implemented. The update of the NRP for 2020 has been developed in accordance with the Government Management Priorities (2017-2021) and the Convergence Programme of the Republic of Bulgaria (2020-2023), which in turn is in line with the fiscal parameters set out in the Law on the State Budget of the Republic of Bulgaria for 2020 and its update. It should also be noted that in pursuance of § 8, para. 2 of the final provisions to the ASA of the Law on the State Budget of the Republic of Bulgaria for 2020. (SG, issue 34 of 2020, effective from 9.04.2020), with the approval of the Convergence Programme, the macroeconomic forecast and the medium-term budgetary forecast shall be considered approved in accordance with the requirements of § 34 of the transitional and final provisions of the Law on the measures and the actions during the state of emergency announced by the National Assembly decision of 13 March 2020, respectively, all relevant documents reflect the latest developments around the outbreak of the COVID-19 pandemic and the response of the institutions – measures taken and revised assessments of the macroeconomic environment and the fiscal framework. The commitments and measures set out in the Programme shall also be consistent with the implementation of the principles and rights of the EPSR. In planning the long-term low-carbon development in the context of the new EC initiative, Bulgaria will pursue policies to preserve the competitiveness and growth of the economy, the cost-effectiveness, the technological neutrality and the social well-being.

In response to the situation that developed in March 2020 with the outbreak of the COVID-19 pandemic, the government introduced some administrative constraints and took a comprehensive package of measures in three main areas – emergency measures to address the spread and treatment of COVID-19, measures to support business and employment, and social measures to protect the most vulnerable groups.

The implementation of the overall strategy and the main policy initiatives in response to the COVID-19 pandemic require the mobilisation of significant resources, including financial resources, and the government is committed to providing funds from the national budget in the form of direct costs and other operations in the part of the financing, as well as support from a currently formed financial package of European funds, including national co-financing, amounting to around BGN 870 million to finance socio-economic measures to support directly affected persons and enterprises through operational programmes. In addition, other public resources were mobilised in the form of financial instruments, whose effect to support and restore economic activity is estimated at about BGN 4.5 billion.

The expected deterioration of the parameters of budget revenues, as well as the need to provide additional expenditure in accordance with the Law on Measures and Actions during the operation of the state of emergency announced by the National Assembly decision of 13 March 2020, necessitated the preparation by the Government and the submission to the National Assembly of a Law amending the Annual Budget Law for 2020 (ABL 2020). The amended ABL 2020 was adopted by the National Assembly and entered into force after its promulgation in the State Gazette (SG issue 34 of 09.04.2020). The adopted changes in revenue and expenditure provide for a cash deficit under the consolidated fiscal programme amounting to BGN 3.5 billion. (3.0% of GDP forecast). The debt ceilings for the year were also changed – increasing the limit for assuming new government debt to BGN 10 billion for 2020 compared to the initially set BGN 2.2 billion, aiming at

financing the deficit, as well as securing a buffer in case of a more negative scenario than envisaged, as well as an additional possibility to issue new state guarantees to support the economy.

The administrative restrictions were introduced on 13 March with the declaration of a state of emergency, with the order of the Minister of Health banning visits to entertainment and gambling halls, discotheques, bars, restaurants, fast food establishments, drinking establishments, coffee shops and large shopping centres, with the exception of bank and insurance offices, grocery stores and pharmacies. The classes in schools, universities and other training institutions and organisations, as well as visits to day nurseries and kindergartens, have been suspended. All types of mass events, as well as planned consultations and operations, screenings, and immunisations were discontinued until 20 April this year.

The urgent measures are primarily aimed at securing the necessary financial resources to fulfil the assigned functions and responsibilities of the state government bodies in the various systems most actively involved in measures to contain the spread of COVID-19 – healthcare, social, internal order and security. These urgent measures relate to the need to increase the cost of staff (overtime), secondment and maintenance of employees carrying out or supporting activities to combat the spread of the virus.

Funds have been provided for the purchase of thermal cameras and sanitary equipment at BCPs and for municipalities for the purchase of medical equipment and services.

Resources have been mobilised from operational programmes funded by EU funds to finance various support measures, including the provision of additional remuneration to medical and non-medical staff engaged with coronavirus patients and patients at risk. Specialised support and crisis intervention teams are also supported to fully address the COVID-19 challenges.

Funds under OP have been provided for the purchase and delivery of specialized equipment such as inhalers, respirators and others for emergency centres, infectious units of specialized hospitals, as well as protective clothing, masks, medical supplies and tests for COVID-19, which aims to improve the conditions for emergency assistance to patients at risk in an epidemic situation.

Coordination has been created to conduct e-learning and to use free e-resources in school education.

The rectors of higher education institutions have been informed of the possibility of conducting classes by means of distance learning. They have been notified to change the deadlines for conducting the student campaigns in 2020.

The scientific community is provided with remote access to scientific publications and free use of scientific journals on the COVID-19 subject. Profiles of scientific organisations have been developed in connection with the implementation of scientific projects for the prevention, diagnosis and treatment of COVID-19. Conditions are created for the rapid exchange of information between the BSA Institutes and the Medical Universities in the country for open competitions on the topic COVID19.

In terms of business and employment support, the most important measures are two-pronged. The first one relates to the payment by the State of 60 per cent of the insurance income for January 2020 and the contributions due from the insurer to undertakings whose business has suffered the most from the emergency measures put in place to control the spread of the coronavirus infection. This is provided that the jobs in the company are maintained.

The other measure relates to an increase in the capital of the Bulgarian Development Bank by up to BGN 700 million, as part of the funds (up to BGN 200 million) will serve as guarantees for the granting of interest-free consumer loans of up to BGN 4,500 to persons who have interrupted their activity due to COVID-19, as well as to those that are self-employed, have ceased their operation and have at least 20% reduction in their income.

To mitigate the effects of the crisis and improve the liquidity of SMEs, measures are planned to provide working capital through the use of a financial instrument and a grant scheme (provision of a not against payment financial support). The indicative amount of the funds for these measures is nearly BGN 500 million and is provided under Operational Program “Innovation and Competitiveness” 2014-2020.

Also, the deadlines for declaring and paying the main types of taxes – corporate tax and tax on expenses, tax on the income of persons who carry on business within the meaning of the Commerce Act, alternative taxes under the CITA – are extended until 30 June 2020. The time limits for early payment against use of a 5% rebate on real estate and vehicle taxes have also been extended until 30 June 2020. Protection is provided for debtors from taking new enforcement actions under the Tax and Social Insurance Procedure Code for public obligations during the declared state of emergency. Another facilitation for the business is the proposition for

ministers, governors and managers of other agencies that have rented out public and municipal property to have the possibility to adopt decisions to reduce rental contributions or to exempt from payment in whole or in part the natural and legal persons – tenants or users who have limited their activities or ceased operation as a result of the measures and restrictions until the state of emergency is lifted.

The pandemic has clearly identified digitisation as a horizontal priority both in the public sector and in the business environment. It has boosted e-services and the digitisation of a number of key sectors in order to protect and preserve citizens' lives, and health and help businesses. It made it possible to request and receive electronically administrative services that are widely used in relation to the situation. In order to assist users in the use of electronic administrative services, a national telephone number has been created to contact the SeGA Help Desk. The opportunity offered during the period of crisis of obtaining free cloud or mobile electronic signatures encourages the use of e-services through the Government Services and Information Portal and the Secure Electronic Delivery System supported by SeGA.

With regard to the banking sector, the BNB took action to strengthen the capital position of banks and to protect them from concentration of placements to foreign jurisdictions and institutions with a potential for credit quality deterioration as measured by their credit rating. The limitation of exposure concentrations shall be affected by imposing individual and aggregate limits to counterparties, e.g. central governments and credit institutions in relation to the total assets of the credit institutions. Strengthening the capital position of credit institutions is also achieved with the decision to capitalise the full amount of profits in the banking system. The BNB performs dynamic monitoring of the liquidity position of banks through hourly liquidity statements, in order to timely identify adverse developments or abrupt changes in available liquid funds. The BNB shall comply with the European Banking Authority's Guidelines on legislative and non-legislative moratoria on loan repayments applied in the light of the COVID-19 crisis. Therefore, a dialogue with the banking industry took place, in order to establish a procedure for deferral and settlement of liabilities payable by households and companies to banks and their subsidiaries. The Financial Supervisory Commission shall proactively monitor the activities of the supervised entities, both in terms of their financial situation and their operational functioning. Information is requested on risk management, emergency action plans and measures taken and planned in relation to the pandemic. The FSC, as a participant in the European System of Financial Supervision (ESFS), is actively involved in the activities of the European Regulatory Authorities and is involved in the adoption of a number of measures aimed at creating a single European practice for market participants and equal protection for the users of financial services.

The social measures are aimed at supporting the most vulnerable groups of people and relate to facilitating access to child support, support for the disadvantaged people and other deprived persons. The OP funds finance measures to support access to health and social services for vulnerable persons, including people with disabilities or incapacity to self-service, including the supply of food, foodstuffs and essential products to the affected persons.

In the field of transport, an Action Plan of the Republic of Bulgaria for the implementation of the Green Lanes from the Guidelines for border management measures to protect health and ensure the availability of goods and essential services was developed. It identifies the internal border crossings on Bulgarian territory on the Trans-European Transport Network through which the smooth passage of goods will be ensured.

The National Reform Programme includes four sections. The first one contains a brief overview of the macro-economic expectations. The second section is divided into two parts and includes measures to address the recommendations and shortcomings identified in the Country Report on Bulgaria 2020 as well as policies to enhance the competitiveness of the economy. The third section provides a progress review in the implementation of the NT under the Europe 2020 Strategy and for the first time this year attempts to review the progress towards the UN Sustainable Development Goals. For each CSR, policy area and NT, specific information is presented in tabular form on the measures that will implement the policy commitments and objectives of this Semester. The link between the funding priorities of the ESIF for the 2014-2020 period and the challenges identified in the Country Report on Bulgaria 2020, the 2019 CSRs and the implementation of the NT under the Europe 2020 Strategy is summarised in the last section.

1 Macroeconomic context and scenario

1.1 Macroeconomic outlook for the period covered by the programme

During the past five years, the Bulgarian economy performed at relatively high growth rates without the accumulation of macroeconomic imbalances. The country's fiscal and external balances were stable. The government had fiscal capacity to respond to weaker external demand and other possible negative shocks. Significant progress has been made in institutional convergence in view of the improved insolvency framework, the governance of state-owned enterprises, the supervision in the non-banking financial sector and the combating money laundering framework.

In the current unprecedented situation, when many of the countries are struggling with all available resources to contain the spread of COVID-19, the dimensions of the crisis for the global and, in particular, the European economy at this early stage are difficult to be assessed and predicted.

Bulgaria, as a small and open economy, cannot remain isolated from the ongoing processes in the major euro-zone economies, which make up a significant part of the country's trade in goods. Due to uncertainty about the global duration of the pandemic and the impact of the measures taken, and in a situation of emergency in the country, which further limits the economic development at this stage, it is impossible to make a realistic assessment of the full extent of any potential direct and indirect effects on the economy.

The current macroeconomic scenario has been developed under the assumption of managing the pandemic in Bulgaria in line with international developments and a parallel economic recovery. At the same time, given the highly dynamic situation and in this context taking into account the latest available information and the observed effects of the spread of COVID-19, the assumptions for the external economic environment are significantly deteriorated, which inevitably affects the national economy, as well. The emergency measures are expected to have a longer duration and will have a significant impact on economic activity in the second and partially in the third quarter of 2020. This will have a significant negative impact on global economic activity, with global GDP remaining slightly below the 2019 level. The EU economy will be seriously affected and will shrink by around 4% in 2020.

In Bulgaria the GDP is expected to decrease by 3% in real terms in 2020, which will materialise in almost all components of GDP calculated using the final demand method, namely: household consumption, private investment and export of goods and services. The government expenditure is expected to contribute positively to the economic performance. There are several factors expected to contribute to the reduction in private consumption. First, due to the restrictive measures, the household consumption of certain services is expected to decline. The fall in employment and the lower disposable income will also contribute to lower consumption of both services and durable goods. The increased uncertainty will restrain certain consumer expenditures and will result in precautionary savings formation by households even after the emergency has ended.

The outlook for investment activity is even worse in 2020 than in the previous two years, when private investment growth was held back by external factors. Due to the global spread of the COVID-19 pandemic, the external environment will deteriorate further. This will postpone the investment decisions until companies' activities, orders and exports have normalised to ensure the return process and cash flows and restore confidence. The drop in private investment will also lead to a drop in the overall investment in the economy.

The expected decline in the global and, above all, European economy, combined with very restrictive measures on international travel, will also lead to a decrease in exports of goods and services. The unprecedented measures adopted by all countries to restrict movement will have a significant impact on the export of transport and tourism services. The total exports of goods and services will decrease by 16.3% in 2020. The weaker exports and domestic demand will also lead to a decrease of imports of goods and services by 12.9%, with a more tangible effect on services.

Following the positive developments in the labour market in 2019 and the historically highest employment and lowest unemployment rates achieved, the tendencies in 2020 are expected to reverse. The forecast for the evolution of key labour market indicators has been prepared taking into account the implementation of the measure to maintain employment through income support. The annual average drop in employment is estimated at 2.1% and the unemployment rate is expected to rise by about 2 percentage points compared to 2019 to 6.2%. The increase in compensation of employees in 2020 is expected to substantially slow to 2.5%, the

main factor for which will be the decrease in employment, but the slower compensation per employee growth as a result of optimising costs while retaining employment will also have an impact.

The external and internal inflation factors appear to be severely limited in 2020. The drop in international oil prices, which in the current scenario is over 40%, as well as significantly lower gas import prices, will result in cheaper energy commodities, further limiting the increase in production and consumer prices in the country along the cross-industry chain. The internal inflation factors, which until the end of February were evident, namely the solvent demand of households, favourable labour market dynamics coupled with relatively high wage growth and low unemployment, will not exert pressure on price increases in view of the expected drop in final demand. For 2020, the overall level of consumer prices is expected to remain almost unchanged, i.e. inflation is estimated to be close to zero per cent.

2 Policy response to major economic challenges

2.1 Implementation of the 2019 country-specific recommendations of the Council addressing macroeconomic imbalances

Country-specific recommendation 1

Improve tax collection through targeted measures in areas such as fuel and labour taxes. Upgrade the State-owned enterprise corporate governance by adopting and putting into effect the forthcoming legislation.

Policy Summary

The Tax policy in Bulgaria is characterised by predictability, a broad tax base and few tax preferences. Retention of low corporate and personal income tax rates is envisaged, contributing to increasing economic growth and having a positive impact on labour supply and demand.

The main objectives of the tax policy are to increase the tax revenues and reduce the administrative burdens and costs for businesses and citizens.

Achieving the objective of increasing budgetary revenues while maintaining the burden of taxation involves implementing measures to curb tax fraud, to prevent tax evasion and non-payment, to limit the prerequisites for manifestation of the shadow economy, and to optimise the control activity of the revenue administrations.

The priority of reducing administrative burdens and costs for businesses and citizens is realised through legislative amendments and administrative measures aimed at increasing the quality of service, including through the development and deployment of new e-services, stimulating voluntary compliance, improving customer tax and social security culture and reducing the costs for both customers and administrations.

The development of the tax policy complies with the requirements of European Union law and the international treaties to which the Republic of Bulgaria is a party.

The policy implementation to improve the governance framework of state-owned enterprises is ongoing. The Law on Public Enterprises was adopted as a result of a joint project with the Organisation for Economic Co-operation and Development under the SRSP¹. It regulates the way public policy in the field of public enterprises is defined and made public, the establishment of standards of sound corporate governance of public enterprises, and the disclosure and transparency obligations of public enterprises and their management bodies. As a result, with effect from 6 December 2019, Bulgaria is a country applying the OECD Guidelines². The

¹ Prom., SG, issue 79 of 8.10.2019, amended, iss. 100 of 20.12.2019, effective of 1.01.2020

² The OECD 2015 Corporate Governance Guidelines for State-owned enterprises present a set of good practices on the legal and regulatory framework for state-owned enterprises, the professionalisation of the state ownership function and the organisation of the corporate governance of state-owned enterprises. They also provide an internationally agreed benchmark indicator to help

reform in this area continues with the forthcoming implementation of a SRSP project to enhance the capacity of the Agency for Public Enterprises and Control, which will coordinate the governance policy of state-owned enterprises and supervise their activities.

— Tax System

Findings from the National Report on Bulgaria 2020	Policy Response
<p>The tax system remains growth-friendly, though with a limited redistributive impact;</p> <p>Relatively low tax revenues limit the government's ability to finance basic public services (healthcare, public education, infrastructure, etc.), which could help reduce social inequalities</p>	<p>Optimising and developing control actions of revenue administrations to increase the collection of taxes on fuel and labour.</p>
<p>Improving tax compliance could also boost public revenue and improve tax fairness;</p>	<p>Implementation of activities to improve the conditions for voluntary compliance, improve the recovery of arrears and reduce administrative costs</p>
<p>Improving tax compliance is a priority for tax authorities... the amount of tax losses in certain categories of taxes, such as income taxes and social security contributions, is contained. Excise revenues are improving but still lagging behind the nominal growth in consumption.</p>	<p>Enhanced coordination between competent institutions in detecting tax fraud, uniform action against customs and tax offences concerning excise goods.</p>

— Governance of state-owned enterprises

Findings from the National Report on Bulgaria 2020	Policy Response
<p>The performance of state-owned enterprises in Bulgaria remains a source of concern;</p> <p>The State-owned enterprises are predominant in the systematically loss-making and highly indebted utilities sector.</p>	<p>Adopted Law on Public Enterprises and its Implementing Rules establishing a harmonised legal framework for all public enterprises, with a single coordination body.</p> <p>Bulgaria is a country implementing the OECD Guidelines on Corporate Governance of State-owned Enterprises.</p> <p>A project is to be launched jointly with the OECD under the SRSP to enhance the capacity of the Agency for Public Enterprises and control over the functions assigned to it in relation to public enterprises.</p>

governments assess and improve the way they exercise their ownership functions in state-owned enterprises. The increased efficiency and better transparency in the public sector will bring significant economic benefits. Creating a level playing field for private and state-owned enterprises will promote a stable and competitive business sector.

Table 2.1.1: Measures addressing CSR 1, Part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Improvement of tax collection through targeted measures in areas such as fuel and labour	Optimising targeted measures to increase fuel and labour tax collection.	Preventing opportunities for evasion and non-payment of taxes, social security contributions and fees by improving legislation, including strengthening inter-institutional cooperation and coordination and effective exchange of information.	2020	Preparation of changes to laws and regulations to introduce measures to prevent and combat tax fraud and evasion.	Adoption of changes in CITA, PITA, VATA, EDTWA, LTFA, TSIPC in compliance with the rules of the Public Finance Act.	2020	Increased efficiency of the tax system.	Draft changes to laws and regulations have been prepared.
	Optimising and developing the control actions to increase the collection of taxes on fuels and labour.	<p>Fiscal control on the movement of goods with high fiscal risk. Inspection and surveillance at retail outlets.</p> <p>Extending the scope and improving the fiscal control mechanism for the movement of goods with high fiscal risk (GHFR) at fiscal control posts (FCPs).</p> <p>Carrying out control in retail outlets of compliance with the requirements for reporting of sales in accordance with the provisions of the VATA and Ordinance No.H-18/2006.</p> <p>Analysing and periodic assessments of the risk of non-compliance with legislation and the presence of concealment of profits and of other indicators of existence of shadow economy, participation in tax and/or insurance fraud schemes or deviations from normal commercial practices and follow-up.</p>	2020	<p>Controlled GHFR are 563 (including fuels); FCPs are 306 (including customs offices and tax warehouses);</p> <p>Existing FCP teams; mobile teams; operating centre in 24/7 mode.</p> <p>Inter-agency coordination centre for counteracting smuggling and controlling movement of risk goods and cargo provides coordination between the Directorate-General for Combating Organized Crime and the MoI Directorate-General for the National Police and Directorate-General for the Border Police, SANS, CA, NRA and EA AA.</p> <p>Carrying out fiscal control of the movements of fuels included in the GHFR list by carrying out checks at FCPs at border crossing points and at exits/entrances of tax warehouses (TWs);</p> <p>Carrying out checks at final fuel distribution outlets;</p> <p>Coordination between competent institutions in detecting tax fraud and combating customs and tax offences relating to "Liquid fuel trading".</p> <p>Introduced video surveillance and control systems in tax warehouses, thereby increasing the effectiveness of risk analysis by the Customs Agency, as well as optimising the process of selecting persons for inspection. In case of identified risks related to tax evasion, joint control actions will be carried out by the</p>	<p>Carrying out fiscal control of the movements of fuels included in the GHFR list by carrying out checks at FCPs at border crossing points and at exits/entrances of tax warehouses (TWs);</p> <p>Use of technical means of control (TMC);</p> <p>Imposing precautionary measures;</p> <p>Establishing new fiscal control posts (located next to tax warehouses and oil bases);</p> <p>Imposing administrative sanctions and implementing a prior administrative measure "establishment sealing" (PAMES);</p> <p>Control actions at trading establishments for liquid fuels and storage vessels.</p> <p>Continuing the coordinated joint actions of CA and NRA, including by conducting mutual workshops and trainings; operational exchange of information, as well as joint control actions with other institutions and partner foreign administrations;</p> <p>Monitoring of authorised warehouse keepers for whom a risk has been identified or in the event of a decrease in the receipts from excise duty and/or VAT related to their activities.</p> <p>Introduction of an obligation for economic operators to declare in advance specific data on the transport of goods starting in the territory of another Member State of the European Union and ending in the territory of the country – ICA or starting in the territory of the</p>	2020	<p>Limiting the risk of non-compliance with tax legislation and tax evasion;</p> <p>Preventing budget losses and cutting fraud and abuse patterns;</p> <p>Increasing the effectiveness of the tax control carried out by the NRA and CA.</p> <p>Establishing a disciplinary effect vis-à-vis obligated persons in the fields of fuels and labour;</p> <p>Increasing budget revenues;</p> <p>Increase in voluntary debt repayment.</p>	<p>Number of establishment checks carried out with the ESFS and other checks carried out at border points (EU internal borders)</p> <p>Number of planned actions and meetings related to the exchange of operational information according to the Interaction Instruction, including carrying out joint analyses, organizing joint trainings</p> <p>Number of inspections and revisions carried out in the country in relation to the risk of unaccounted sales as well as risks related to fuels for own consumption and their reporting</p>

1	2	3	4	5	6	7	9	10
				authorities of the NRA and the Customs Agency.	country and ending in the territory of another Member State – ICSG. Organising and conducting national tax and social security compliance campaigns. Monitoring and control of carriers identified by the NRA authorities for compliance with tax and insurance legislation; Carrying out checks on debtors who are shown to be evading tax and social security obligations; Carrying out checks at retail outlets or production establishments on the existence of submitted certificates of employment contracts with employees of the establishments, as well as establishing the correct charging, declaration and payment of taxes due and compulsory social security contributions for the persons.		Prevented: VAT and excise tax evasion through multiple resale of the same quantity of fuel; cases of incorrect declaration/sale of fuel; minimising the risk of non-reporting of sales of fuels and distribution of non-originating fuels.	Number of automated risk messages through the FCIS and the checks carried out in this regard. Number of TPs placed under monitoring, number and type of fiscal control actions resulting from monitoring Established administrative violations and issued criminal decrees; Collateral posted. Prior Administrative Measure Establishment Sealing (PAMES); Increase in: the declared tax base in the case of Intra-Community acquisition (ICA) of the GHFR; income from taxes and social security in the case of ICA or in case of Intra-Community supply of goods (ICSG) and transport. Data and results from national campaigns for tax and social security compliance.
	Improving the collection of overdue public liabilities, including taxes on fuel and labour	Early implementation of incentives for the voluntary payment of arrears through the so-called “soft methods”, depending on contact information, the amount and type of debt and the profile of the debtor.	2020	Permanent monitoring in respect of debtors with the highest tax arrears and compulsory social contributions categorised as recoverable and partially recoverable.	Focusing the enforcement process on debtors' claims on third party – budget spending units.	2020	Increasing budget revenues.	5% increase in the recovery of newly incurred debt.

1	2	3	4	5	6	7	9	10
				<p>Ongoing monitoring of the formation of public liabilities by different groups of persons, including:</p> <ul style="list-style-type: none"> - traders of liquid fuels carrying out taxable supplies or Intra-Community acquisitions or receiving disposable liquid fuels under Art. 20, para. 2, item 1 of the Excise Duties and Tax Warehouses Act with a total value of deliveries, acquisitions or disposals exceeding BGN 25,000; - persons holding licences and authorisations for the production and storage of excise goods under suspension. 				
	New Tax Insurance Legislation Compliance and Risk Reduction Programme for 2020-2021	Planning and implementation of measures to address the most significant tax and social security risks.	2020	Work has begun to implement some of the envisaged measures.	Implementation of measures under the Tax Insurance Legislation Compliance and Risk Reduction Programme for 2020-2021	2020	Increasing budget revenues.	Reduced risk of non-compliance with tax insurance legislation.
Corporate governance of state-owned enterprises	Modernisation of the corporate governance framework for state-owned enterprises	Preparation of the regulations to the Law on Public Enterprises within the deadline set by law.	October 2019	<p>Draft rules of procedure of the Agency for Public Enterprises and Control drawn up;</p> <ul style="list-style-type: none"> - Inter-ministerial coordination carried out; - Public consultation carried out; <p>Draft for Implementing Rules of the Public Enterprises Act and accompanying documents have been prepared;</p>	<p>Submission to the Council of Ministers for consideration of the draft legislative act and the accompanying materials;</p> <p>Adoption of the draft legal act adopting the Rules of Procedure of the Agency for Public Enterprises and Control;</p> <p>Publication of the Rules of Procedure of the Agency for Public Enterprises and Control.</p> <p>Submission to the Council of Ministers for consideration of the draft legislative act and the accompanying materials;</p> <p>Adoption of the Implementing Rules of the Public Enterprises Act;</p> <p>Publication of the Implementing Rules of the Public Enterprises Act.</p> <p>Launch of a new project under the Structural Reform Support Programme, with OECD as contractor, to enhance the capacity of the Agency for Public Enterprises and control on the functions assigned to it in relation to public enterprises</p>	<p>April 2020</p> <p>April 2020</p> <p>June 2020</p>	<p>Unification and modernisation of the legal framework in the field</p> <p>Improving the governance of state and municipal companies;</p> <p>Improving the financial situation and limiting the fiscal risks.</p>	<p>Increasing transparency and publicity in the governance of the state-owned companies;</p> <p>Reducing the number of loss-making companies;</p> <p>Reduction of contingent liabilities arising from State-owned companies</p>

✓ Country-specific recommendation 2

Ensure the stability of the banking sector by reinforcing supervision, promoting adequate valuation of assets, including bank collateral, and promoting a functioning secondary market for non-performing loans. Ensure effective supervision and the enforcement of the AML framework. Strengthen the non-banking financial sector by effectively enforcing risk-based supervision, the recently adopted valuation guidelines and group-level supervision. Implement the forthcoming roadmap tackling the gaps identified in the insolvency framework. Foster the stability of the car insurance sector by addressing market challenges and remaining structural weaknesses.

Policy Summary

The banking sector in Bulgaria ended 2019 with very good overall indicators and positive trends – high capital adequacy and liquidity, continuing improvement of asset quality, and historically the highest annual profit in the sector. The BNB monitors the processes in the economy and the development of financial intermediation, with a focus on the credit activity of the banking system.

As a result of the implementation of the system of risk assessment criteria in the non-banking financial sector and on the basis of a risk-based review, the FSC has prepared an Annual Supervisory Plan for 2020 with specific supervisory actions. Work is under way to revise the risk-based supervision framework so as to ensure that the process remains appropriate and is implemented consistently.

In 2018 and early 2019, the FSC completed the implementation of the Action Plan prepared jointly with the EIOPA on the basis of IMF and WB recommendations. The implementation of this plan was reported as completed by EIOPA and the EC in 2019.

In the motor insurance sector and in relation to the supervision of the application of the requirements concerning the valuation of certain categories of assets, on-the-spot checks of insurers have been carried out and corrections are required. For the introduction of the "Bonus-malus" system, a draft Ordinance has been prepared and its publication for public consultation is imminent. A draft Ordinance on the establishment of a Methodology for determining the amount of compensation for property and non-material damage has also been prepared, which is expected to be adopted this year.

In the supplementary pension insurance sector (private pension sector), a review of the Risk-Based Supervision Manual on PICs and the managed by them SPIFs will be carried out on the basis of its application. A review of the system of quantitative and qualitative criteria is also planned for both risk assessment initiation and risk-based supervision implementation.

Bulgaria has taken action to ensure the possibility of fully implementing measures to prevent the use of the financial system for the purpose of money laundering and terrorist financing and to ensure the ability of competent state authorities to monitor the application of measures to counter money laundering and terrorist financing. For this purpose, a draft CMD³ amending and supplementing the Rules of Implementation of LMML was prepared and adopted, which aims to achieve a complete and harmonised legal framework relating to the regulation of prevention measures and the organization and control of their implementation.

Action has been taken to mitigate the risks of money laundering and terrorist financing identified in the National Risk Assessment of Money Laundering and Terrorist Financing (NRA). A project under the SRSP is about to be launched aimed at enhancing the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing and to update the NRA.

The policy on improving the insolvency framework continues to be implemented as approved by the Council of Ministers in June 2019. Roadmap for the implementation of the recommendations on the Insolvency and Stabilisation Framework. Its activities aim to achieve an improved and more effective insolvency framework, better conditions for the business environment, support for investment and economic growth. The first phase of its implementation foresees concrete legislative changes to the Commerce Act to be prepared and proposed by October 2020. The efforts to improve the insolvency framework will continue with the imminent launch of a SRSP project to transpose the requirements of Directive (EU) 2019/1023 introducing early warning instruments so that debtors who are starting to face financial difficulties are stimulated to take action at an early stage.

³ Council of Ministers Decree No. 42 of 10.03.2020

— Banking Sector

Findings from the National Report on Bulgaria 2020

The banking sector has continued to strengthen its capital and liquidity ratios, but follow-up measures are expected.

Follow-up action on already adopted acts will further strengthen the regulatory environment.

The comprehensive assessment of the banking sector by the ECB confirmed that further steps are necessary to ensure the soundness of individual players.

Some uncertainties remain over the valuation of collateral.

Policy Response

The banking sector in Bulgaria ended 2019 with very good overall indicators and positive trends – high capital adequacy and liquidity, continuing improvement of asset quality, and historically the highest annual profit in the sector. The BNB monitors the processes in the economy and the development of financial intermediation, with a focus on the credit activity of the banking system. For addressing risks associated with procyclical behaviour, the corresponding macro-prudential buffers are maintained and calibrated. In 2020, the analysis of these processes shall continue to be the basis for the regulatory and macro-prudential policy of the BNB.

In 2020, the BNB will review the implementation by banks of the adopted guidelines on management of non-performing and forborne exposures (EBA/GL/2018/06), and on the disclosure of non-performing and forborne exposures (EBA/GL/2018/10).

In parallel to the adoption of certain guidelines of the European Banking Authority, the BNB Governing Council adopted Ordinance No. 20 on Issuance of approvals to members of the Management Board (Board of Directors) and the Supervisory Board of a credit institution and performance requirements for their duties. A new Ordinance No. 10 on the organisation, governance and internal control of banks is also in force.

The BNB adopted amendments to Ordinance No. 4 of 2010 on the requirements for remunerations in banks. While these provide for the obligation to set up remuneration committees, it shall apply only to significant banks, as there is a greater number of councils, and it is sought an effective allocation of functions between the committee's members. The amendments and supplements to Ordinance No. 7 of 2014 on organisation and risk management of banks elaborate further on the requirements for reputation, qualification and professional experience to the heads of the risk management divisions.

The results released by the ECB in July 2019 indicate the resilience of the Bulgarian banking sector as a whole. All six banks involved in the review fulfil the prudential requirements of Article 92 of Regulation (EU) No575/2013 of the European Parliament and of the Council. In the case of two banks, there was a need to improve the capital position, which is due to the applied severe scenario of the stress test. The banks prepared capital plans, the implementation of which is ongoing in 2020. In the second half of 2019, the BNB continued its active communication and cooperation with the European Central Bank on the preparation of the Bulgarian competent authorities and the qualifying credit institutions for their integration into the Single Supervisory Mechanism.

The residual credit risk in the banking system (measured with gross non-performing exposures reduced by accumulated impairments), is fully covered by capital buffers and surplus capital, which are exceeding the minimum requirements.

— Non-banking Financial Sector

Findings from the National Report on Bulgaria 2020

Supervision has been enhanced in several respects, while further measures are expected.

Policy Response

A review of the Risk-Based Supervision Implementation Manual on PIC and the managed by them SPIFs and its implementation is pending, as well as a review of the system of quantitative and qualitative criteria for both risk assessment and risk-based supervision.

An Ordinance on the approval of a methodology for determining the amount of compensation for material and non-material damage sustained as a result of bodily harm to the injured person and for determining the amount of the compensation for material and non-material damage of the injured person as a result of the death of a victim is pending. The draft Ordinance was developed in 2019 and its interinstitutional coordination is imminent, after which a public consultation will be launched.

Group-level supervision might become relevant for one particular insurance group, depending on the outcome of the restructuring process.	In the insurance sector, a review of the risk-based supervision framework is pending to ensure that the process remains appropriate and is implemented consistently. Dialogue with insurers, reinsurers and auditors will be strengthened to discuss options to address possible weaknesses.
Introduction of a bonus-malus system.	The bonus-malus system is to be introduced in 2020.
Adoption of a methodology to compensate victims of car accidents.	An Ordinance on the approval of a methodology for determining the amount of compensation for material and non-material damage sustained as a result of bodily harm to the injured person and for determining the amount of the compensation for material and non-material damage of the injured person as a result of the death of a victim is pending. The draft Ordinance was developed in 2019 and its interinstitutional coordination is imminent, after which a public consultation will be launched.
The Bulgarian Green Card Bureau is still under monitoring and the sectorial reinsurance cover is yet to be underwritten.	Regarding the Green Card bureau – the monitoring regime of the NBBMI imposed by the Council of Bureaux is not part of the powers of the FSC or any other body in Bulgaria. On 05.03.2020 the NBBMI informed about the general reinsurance treaty signed by the representatives of the bureau to the Secretariat of the Council of Bureaux.

— Combating money laundering

Findings from the National Report on Bulgaria 2020	Policy Response
<p>The use of financial intelligence remains limited.</p> <p>The risk of corruption still needs to be better addressed, as it is a predicate offence to money laundering.</p> <p>There are risks linked to the “Citizenship by investment” scheme.</p>	<p>In order to optimise the work on reports on suspicious transactions and operations related to suspected money laundering and terrorist financing, it is envisaged to review the existing mechanisms for prioritising the work of the financial intelligence unit and reflecting the conclusions of the NRA report.</p> <p>A SRSP project is to be implemented, resulting in a national action plan to mitigate the risks of money laundering and terrorist financing. The risks from corruption and the citizenship by investment schemes will be addressed in the Action Plan with concrete measures.</p>

— Insolvency framework

Findings from the National Report on Bulgaria 2020	Policy Response
<p>Efforts to implement the insolvency framework roadmap have already started.</p> <p>In addition to legislative changes, capacity building activities are included in the Roadmap.</p>	<p>The Roadmap for the implementation of the recommendations on the Insolvency and Stabilisation Framework is being implemented. It includes activities for creating legal prerequisites for the introduction of early warning systems, introducing a debt waiver procedure, easier and quicker access to insolvency proceedings and stabilisation procedures for legal persons and entrepreneurs, accelerated procedures for small</p>

businesses, shortened procedural deadlines in the framework of insolvency proceedings, increased efficiency in the process of liquidating assets, introduction of a framework for continuing training and professional development, etc.

A SRSP project to introduce early warning tools in the area of insolvency is pending in order to detect early signs of financial difficulties in corporate debtors, including SMEs, in order to activate control mechanisms to protect the company's assets and avoid the loss of core assets.

Table 2.1.2: Measures addressing CSR 2, Part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Strengthening supervision of the insurance sector	Effectively applying a risk-based approach (RBA)	Establishment of a supervisory plan; Performing a risk-based supervision review.	May 2019	<p>A risk-based supervision framework was introduced by Order No.3-494 of 31.12.2018 of the Deputy Chair, Head of the Insurance Supervision Division. A Manual to the Supervisory Review Process for the Activities of Insurance and Reinsurance Undertakings was approved, together with:</p> <ul style="list-style-type: none"> - A system of criteria for the categorisation of insurance undertakings without a right of access to the single market according to their degree of risk and systemic importance; - A system of criteria for the categorisation of insurance and reinsurance undertakings with a right of access to the single market according to their degree of risk and systemic importance. <p>On the basis of the annual accounts and reports of insurers and reinsurers for 2018, the system of criteria shall be applied to determine the risk assessment.</p> <p>As a result of the application of the criteria system and the risk assessment, an Annual Supervisory Plan has been prepared, consisting of supervisory actions that are planned for all insurers on the basis of a risk-based review.</p>	<p>Improving dialogue with insurers and reinsurers to discuss options to address possible weaknesses.</p> <p>Revision of the risk-based supervision framework to ensure that the process remains appropriate and is implemented consistently.</p>	January 2020	<p>Determination of supervisory intensity; Strengthening the dialogue with supervised persons.</p> <p>Improve the system of criteria for the categorisation of insurers and reinsurers.</p>	<p>Supervisory plan;</p> <p>Updated Risk-Based Supervision Framework</p>
	Effective application of valuation requirements for certain categories of assets	Carrying out of inspections; Organisation of meetings with audit firms.	2019	<p>Requirements introduced in the secondary legislation regarding the valuation of certain categories of assets (as amended by 04.01.2019 Ordinance No. 53 of 23.12.2016).</p> <p>As a result of on-site inspections carried out in connection with the valuation of certain categories of assets, corrections in the relevant financial statements are required from the insurers inspected.</p>	<p>Carrying out of remote-sensing and on-site inspections;</p> <p>Conducting targeted meetings with audit firms.</p>	permanent measure	<p>Effective application of requirements.</p>	<p>Carried out inspections;</p> <p>Conducted meetings with audit firms.</p>

1	2	3	4	5	6	7	9	10
Review and development, where appropriate, of risk-based supervision in the pension insurance sector	Developing risk-based supervision	Review and update the Risk-Based Supervision Manual as necessary.		Review of the Manual for Risk-Based Supervision – regarding the activities of pension insurance companies and the pension funds they manage, as well as of pension fund custodian banks.	- Review of quantitative indicators; - Review of qualitative indicators; - Review the of risk weights for individual indicator groups.	31.12.2020	Supplementing the system of criteria where necessary. Improving the supervisory process, where necessary, based on gained and shared experience and taking into account the developments in the legislation and the situation of the financial sector. Increasing efficiency in the application of risk-based supervision.	Report of the review results. Risk-Based Supervision Implementation Manual for PIC and the SPFs they manage, updated as necessary.
Improving the legal framework in the field of MTPL insurance	Introduction of a bonus-malus system.	Amendment of legislation on compulsory Motor third party liability insurance (MTPL) to introduction a bonus-malus system.	May 2019	By Order No.3-178/23.05.2019, a working group was established to prepare a final draft Ordinance on the "Bonus-Malus" system. In November 2019, the draft Ordinance was published on the website of the FSC. Opinions were received from interested citizens, public organisations and state institutions. The project has been sent for final coordination to the Ministry of Interior and the MTITC and is due to be published for public consultation in 2020.	Amended and adopted legislation introducing a bonus-malus system in line with the results of the public consultation. Development and introducing of changes to related secondary legislation in order to ensure the implementation of the bonus-malus system.	December 2020	Better pricing risk assessment in compulsory MTPL insurance. Stimulation of bona fide drivers.	Draft normative act prepared.
	New methodology for fairer determination of compensation for material and non-material damage	Adoption of an Ordinance on the approval of a methodology for determining the amount of compensation for material and non-material damage sustained as a result of bodily harm to the injured person and for determining the amount of the compensation for material and non-material damage of the injured person as a result of the death of a victim		By letter dated 26.07.2019, the Guarantee Fund has submitted to the FSC, MH and MLSP a final report on a draft methodology for determining the amount of compensation for material and non-material damage sustained as a result of bodily injury to the injured person and for determining the amount of the compensation for material and non-material damage of the injured person as a result of the death of a victim. On 09.08.2019 the Guarantee Fund submitted a draft methodology to the FSC.	Adoption of an Ordinance on the approval of a methodology for determining the amount of compensation for material and non-material damage sustained as a result of bodily injury to the injured person and for determining the amount of the compensation for material and non-material damage of the injured person as a result of the death of a victim	December 2020	Fairer determination of the compensations for non-material damages. Creating conditions for harmonising the practice of determining such compensations. Creating condi-	Adopted legal act.

1	2	3	4	5	6	7	9	10
				By Order No. 3-287/28.08.2019 of the Chairman of the Financial Supervision Commission, a working group was formed with the Ministry of Health and the Ministry of Labour and Social Policy to prepare a draft Ordinance on the approval of the methodology. The draft Ordinance was developed in 2019 by the Working Group. Once the joint project between the three competent institutions is agreed, it will be published for public consultation.			tions for reducing disputes to determine such damages, including reducing the number of cases prosecuted.	
Implementing an anti-money laundering regulation	Effective implementation of risk-based supervision	Update of the risk-based supervision model according to the results of the National Risk Assessment of Money Laundering and Terrorist Financing (NRA)	April 2020	A working group has been set up by order of the Deputy Chair of the FSC, leading the Investment Activity Supervision Division.	Review of the applied risk-based supervision model and update of the risk factors used in relation to outcomes of the NRA.	30 June 2020	Reflection of the outcomes of the NRA in the supervisory activity of the FSC in the investment services sector.	Updated risk-based supervision model
	Increasing the effectiveness of the supervision	Increasing the effectiveness of the supervision in the investment services sector	February 2020 February 2020 March 2020	A working group has been set up by order of the Deputy Chair of the FSC, leading the Investment Activity Supervision Division. Establishment of a Risk-Based Supervision and On-site Inspection Guide, in line with the good practices and ESAs' guidelines on the prevention of money laundering and terrorist financing Preparing a sectorial risk assessment taking into account the supranational risk assessment and the national risk assessment, as well as the joint opinion of the ESA on the risks of money laundering and terrorist financing affecting the financial system of the Union.	Preparation of training materials, part of the training will be conducted through an on-line training system. Raising the awareness of the supervised persons	July 2020 Dec. 2020	Increasing the effectiveness of remote supervision and on-site inspections Achieving a better understanding of the risks in the sector Achieving a higher compliance of the supervised sector with the requirements of the legislative	Risk-Based Supervision Manual Sectorial risk assessment Training sessions, meetings, circulars sent
	Taking action to mitigate the risks of money laundering and terrorist financing identified in the NRA	Strengthening the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing	March 2020	Implementation of a project funded by the SRSO aimed at enhancing the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing.	Prepare proposals for the measures to be taken as well as an action plan to limit the risks of money laundering and terrorist financing identified in the national assessment. Presentation of the proposals for measures and the action plan for consideration to the Council of Ministers.	2021-2022	Increasing the effectiveness of action by competent authorities and institutions to mitigate the risks of ML	Breakdown of concrete proposals for risk mitigation measures and a proposal for an action plan setting deadlines for

1	2	3	4	5	6	7	9	10
					Taking action to implement the action plan approved by the Council of Ministers.		and TF identified in the NRA.	their implementation and designation of implementing bodies or institutions.
Insolvency legal framework	Implementation of the Roadmap for the implementation of the Insolvency and Stabilisation Framework and development of a data collection process	<p>Implementation of the activities set out in the roadmap developed to implement a project under the European Union Structural Reform Support Programme.</p> <p>The components set out in the Roadmap are planned to be implemented in 2019-2022 and include:</p> <ol style="list-style-type: none"> 1. Legislative changes 2. Organisational changes 3. Training programmes for syndics, trustees and judges 4. Specialised electronic means of communication in the framework of insolvency and stabilisation proceedings 5. Development and presentation of guides, codes, templates and guidelines 6. Data collection and publication 	September 2019	<p>Approved on 19.06.2019 by the Council of Ministers Roadmap for Insolvency Reforms in Bulgaria – July 2019</p> <p>Working group set up to draft amendments to the CA – September 2019</p> <p>Coordination team set up to implement the Roadmap measures</p>	<p>Draft amendments to the Commerce Act to reform the insolvency framework</p> <p>Establishment of an Expert Group for the development and presentation of guides, codes, templates and guidelines</p> <p>Launching a continuing training programme for syndics and trustees –</p> <p>Upgrading the CR system and enabling inter-connection with the European Insolvency Register.</p> <p>Pilot launch of the SCIS and e-Justice system.</p> <p>Pilot launch of IIS.</p> <p>Establishment of a specialised unit for regulating the syndic profession</p> <p>Launch of a SRSP project to introduce early warning instruments in the field of insolvency.</p>	<p>October 2022</p> <p>November 2020</p> <p>January 2021</p> <p>April 2021</p> <p>January 2021</p> <p>February 2022</p> <p>June 2022</p> <p>July 2020</p>	<p>Improving the efficiency of the insolvency and stabilisation proceedings;</p> <p>Establishment of a reliable statistical system for insolvency proceedings and stabilisation procedures;</p> <p>Increasing confidence in the judicial system;</p> <p>Preventing abuse in insolvency proceedings.</p>	Drawn up draft ASA of the Commerce Act and submitted to the Council of Ministers

✓ Country-specific recommendation 3

Focus investment-related economic policy on research and innovation, transport, in particular on its sustainability, water, waste and energy infrastructure and energy efficiency, taking into account regional disparities, and improving the business environment.

Policy Summary

The main focus of the investment policy in the field of **innovation** is transforming the Bulgarian economy into a knowledge and smart growth based one by increasing the role of innovation and science, creating favourable conditions for higher technological development, creating and implementing new products and services in priority sectors and development of innovative enterprises. The success of this policy is also linked to the development of education and human capital, making the best use of the opportunities of digitalisation for citizens, businesses and governance. To address the development deficits, the following policy priorities are identified:

- 1) enhancing the quality, capacity and productivity of the scientific and innovation system and improving the links with business and society. Increasing the relevance of the scientific research results to the economy and improving the quality of life;
- 2) sustainable growth of enterprises and development of the entrepreneurial ecosystem and business skills;
- 3) increasing the pace of digitisation for citizens, businesses and governance.

In the next programming period, the investment policy will follow the priorities and objectives of the Innovation Strategy for Smart Specialization 2021-2027, the National Strategy for Development of the Scientific Research in the Republic of Bulgaria 2017-2030, the National Strategy for SMEs in Bulgaria 2021-2027 and the Digital Transformation of Bulgaria for the period 2020-2030. A special focus of the Innovation Strategy 2021-2027 and the National Strategy for SMEs in Bulgaria 2021-2027 are investments in R&D and innovation aimed at permanently reducing the resource and energy intensity in industry. The establishment of the State Agency for Research and Innovation is planned in order to be a leading institution in the implementation of the Innovation Strategy for Smart Specialisation 2021-2027. Its role will be to ensure coordination and interaction between all stakeholders with a view to increasing the effectiveness of measures and added value and synergy with European programmes and policies. The modernising the research infrastructure and enhancing the quality and international prestige in key areas of the Bulgarian scientific community for its integration into European and global networks remains a strategic policy until 2030. The preliminary analyses show a need to concentrate efforts on the following target groups: enterprises (mainly SMEs), entrepreneurs, clusters, scientific and knowledge generating units (centres of competence, centres of excellence, digital innovation centres, regional innovation units and research laboratories, etc.), Sofia Tech Park, industrial zones and organisations in support of business and improvement of the business environment.

The high resource intensity of the economy determines the focus of interventions on transforming the linear economy of the country into a circular one and reducing the resource intensity. The support to businesses will focus on the introduction of low-carbon, resource and energy-efficient and non-waste technologies, the reduction of waste generated in the process of production and the development of industrial symbiosis. Action will be taken to raise the standard of circular (secondary) use of materials in the economy, promote resource efficiency throughout their life cycle (including repair, reuse and recycling), which will not only reduce waste, but also reduce the need to extract new resources.

There is considerable potential for a regional approach to support for SMEs in their quest to become more efficient in spending resources and developing products and services to deliver to the green markets.

There is a need to step up the efforts to improve the energy efficiency in order to improve the competitiveness of the economy. The targeted measures and investments towards energy efficiency in enterprises can unlock huge potential for energy savings.

In 2020, support will be provided under two procedures under OPIC 2014-2020 aimed at developing the innovation infrastructure and improving the science-business links, as well as promoting innovation and digitization in enterprises. In 2020, in the framework of OPSESG funding, the establishment of Centres of Excellence (CEs) and Competence Centres (CCs) continued. From September 2019 the Joint Research Centre of the European Commission (JRC) has launched a strategic evaluation of the CE and CC programme under PA 1 in Bulgaria, which will provide recommendations for their future development, including in terms of technology transfer and commercialisation of scientific results and cooperation with business.

Bulgaria is making significant efforts to implement the comprehensive reform of **the WSS sector** in order to achieve consistency and sustainability in defining and implementing investment priorities in consolidated WSS areas. An integrated approach for financing investments in the WSS sector is applied, covering, on the one hand, the preparation of regional pre-investment studies for setting priorities for investments in WSS infrastructure, and, on the other hand, the design, construction, rehabilitation and reconstruction of drinking water treatment facilities, water supply networks, sewerage networks and wastewater treatment plants (WWTPs) in order to ensure ecologically sound and cost-effective functioning of WSS systems in agglomerations of more than 10,000 p.e. Additionally, activities have been undertaken to develop and strengthen the institutional environment and capacity for effective management of the WSS sector and to provide quality WSS services in accordance with the requirements of European legislation and international practices. The currently implemented projects in the WSS sector are carried out with significant financial resources from the European Structural and Investment Funds under Operational Programme Environment 2014-2020 (OPE) – amounting to over EUR 920 million (BGN 1.8 billion)

Ensuring a balanced approach between **environmental** protection and sustainable economic development depends both on adequate and timely environmental policies and on significant investments aimed at promoting and developing research to address societal challenges. Accordingly, in 2018, MES has developed and financed National Research Programmes (NSP) in priority areas. Two of the programmes: *Low Carbon Energy for Transport and Domestic Use – EPLUS* and *Environmental protection and reduction of adverse events and natural disasters' risks* aim at storage and transformation of renewable energy, hydrogen-based technologies and eco-mobility such as the transition to a low-carbon competitive economy. The programmes are implemented for a period of three and five years and their funding is indicative of BGN 13,300,000.

In order to promote resource efficiency and the circular economy through sustainable waste management, investments with funds from OPE amounting to more than EUR 255 million (BGN 500 million) are aimed at: design and construction of composting installations and installations for pre-treatment of municipal waste, composting installations for separately collected green and/or biodegradable waste, anaerobic installations for separately collected biodegradable waste, implementation of a decentralised model for bio-waste management in one of the regions for waste management in Bulgaria, design and construction of a plant for cogeneration in Sofia with utilisation of RDF – third phase of an integrated system of facilities for treatment of municipal waste of Sofia Municipality. A procedure has also been announced for demonstration projects for activities for prevention, preparation for reuse and recycling of municipal waste. The work is ongoing on the closure and reclamation of old landfills that do not meet the regulatory requirements, and the main role here, at this stage, is funding from national funds, but a procedure for the reclamation of landfills subject to infringement of EU law in case C-145/14 has also been announced under OPE.

Investments under OPGG, aimed at both improving the business environment and reforming the justice system, will reduce the administrative burdens for citizens and businesses by removing the need to present multiple documents on paper; improving administrative services through complete and up-to-date databases; facilitating access to administrative services and information through a high level of automation of the application, payment and delivery process. Regarding the judiciary, measures aimed at ensuring rapid and centralised access to information on the development of judicial proceedings, improving the transparency of the operation of courts, minimising corrupt practices and consistently increasing confidence in the judiciary are supported.

Regarding the planned investments with EU funds in the next programming period, the integrated water management aimed at protecting and improving water status and achieving and maintaining good quantitative, chemical and environmental status of water bodies in Bulgaria and the marine environment remains a priority for Bulgaria. The measures in the field of river basin management are foreseen to focus on: construction and reconstruction of WSS infrastructure based on regional pre-investment studies in accordance with the normative framework, priority in agglomerations with more than 10,000 PE; implementation of measures from the River Basin Management Plans (RBMPs) to improve the water status; protection of the quality of water intended for drinking and domestic water supply, including establishment of safeguard zones in the area of water abstraction facilities. Flood Risk Management Plans (FRMPs) will continue to support measures. Other types of natural disaster risk – landslides, collapses, forest fires, intense precipitation, floods, etc., related to climate change will also be addressed.

Achieving resource efficiency by implementing the waste hierarchy, preventing waste generation, promoting reuse and recovering it through recycling, reducing landfill and limiting their harmful effects on the environment and human health will also be a top priority of the interventions. Promoting the transition from a linear to a circular economy will be a major focus.

Investments aimed at improving the ambient air quality and addressing the two main sources of pollution – domestic heating and transport – will continue. Measures addressing domestic heating as the main source of emissions of fine particulate matter, as well as a shift towards greener transport, not only for public transport, but also for fleet replacement, will be supported.

In the area of transport infrastructure, investments continue in the following key areas:

Development of the railway infrastructure in the directions Sofia-Septemvri and Plovdiv-Burgas. This shall modernise the most congested direction of the network, which is crucial for the transport of freight and passengers.

Development of the road infrastructure in the direction of Sofia-Kulata (Struma Motorway). This shall modernise a route that provides a link to the ports of Thessaloniki and Athens.

Development of the subway in Sofia. This shall modernise the urban transport of the country's largest city by stimulating the transition to environmentally friendly transport.

Table 2.1.3: Description of priorities addressing SCR 3, Part of Annex 1

Priority axis	Main strategic objectives and link to the SCR/ EU Sustainable Development Goals	Value of the overall investment for 2019	Sources of funding
<p>Technological Development and Innovation</p> <p><i>Note: The main part of the grant award procedures under this priority axis are included as measures in the implementation of NT for R&D with funding source OPIC (measure “Development of innovative infrastructure“ and measure “Promoting innovation in enterprises”)</i></p>	<p>Contribution to the following objectives:</p> <ul style="list-style-type: none"> - National Target: R&D investment of 1,5% of GDP - Objective 8 “Promoting solid, inclusive and sustainable economic growth, full and productive employment and decent work for all” and - Objective 9 “Building Flexible Infrastructure, Promoting Sustainable Industrialisation, Innovation and Strengthening Innovation“ by SDG 	<p>EUR 24 million</p>	<p>OPIC 2014-2020 co-financed by ERDF</p>
<p>Entrepreneurship and Capacity for Growth of SMEs</p> <p><i>Note: The main part of the grant award procedures under this priority axis are included as measures in the implementation of NT for R&D with funding source OPIC (measure “Development of innovative infrastructure“ and measure “Promoting innovation in enterprises”)</i></p>	<p>Contribution to the following objectives:</p> <ul style="list-style-type: none"> - National Target: R&D investment of 1,5% of GDP - Objective 8 “Promoting solid, inclusive and sustainable economic growth, full and productive employment and decent work for all” and - Objective 9 “Building Flexible Infrastructure, Promoting Sustainable Industrialisation, Innovation and Strengthening Innovation“ by SDG 	<p>EUR 16.35 million</p>	<p>OPIC 2014-2020 co-financed by ERDF</p>
<p>Energy and Resource Efficiency</p> <p><i>Note: The main part of the grant award procedures under this priority axis are included as a measure in the implementation of the NT under the “Climate-energy” package with funding source OPIC (measure “Increasing the energy efficiency in enterprises through ESIF”).</i></p>	<p>Contribution to the following objectives:</p> <ul style="list-style-type: none"> - National Target: Increasing energy efficiency by 25% by 2020 - Objective 12 “Ensure sustainable consumption and production patterns” of SDG 	<p>EUR 97.06 million</p>	<p>OPIC 2014-2020 co-financed by ERDF</p>
<p>Industrial processes</p>	<ul style="list-style-type: none"> - National Strategic target: Achieving resource efficiency by implementing the waste hierarchy, preventing waste generation, promoting reuse and recovering it through recycling, reducing landfill and limiting their harmful effects on the environment and human health. - Policy objective/EU specific objective: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management/Promoting the transition to a circular economy. 	<p>EUR 17.1 million</p>	<p>European Regional Development Fund (ERDF) – 85% State budget (national fund) – 15%.</p>
<p>Water</p>	<ul style="list-style-type: none"> - National Strategic target: Preventing or reducing the impact of human activity on surface and groundwater by applying the principles of integrated management. Integrated management of water resources and achieving sustainable consumption of the resource for the needs of the population and the economy of the country. Protection and improvement of the environmental status of the Black Sea marine waters. 	<p>EUR 63.8 million</p>	<p>Cohesion Fund – 85%. State budget (national fund) – 15%.</p>

Priority axis	Main strategic objectives and link to the SCR/ EU Sustainable Development Goals	Value of the overall investment for 2019	Sources of funding
	<ul style="list-style-type: none"> - Policy objective/EU specific objective: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management/Promoting the sustainable water management. 		
Improvement of ambient air quality	<p>National Strategic target:</p> <ul style="list-style-type: none"> - Improving ambient air quality in settlements. Extension of the collection of measures to protect ambient air quality. Development of a National Ambient Air Quality Programme (AAC). - Policy objective/EU specific objective: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management/enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution. 	EUR 96.9 million	Cohesion Fund – 85%. State budget (national fund) – 15%.
Natura 2000 and biodiversity	<ul style="list-style-type: none"> - National Strategic target: Preserving, maintaining and restoring the ecosystems and their inherent biodiversity as part of the natural potential for sustainable development of regions, including by involving the scientific community in the implementation of state conservation policies. - Policy objective/Specific objective: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management/enhancing biodiversity, green infrastructure in the urban environment, and reducing pollution. 	EUR 6.22 million	European Regional Development Fund (ERDF) – 85% State budget (national fund) – 15%.
Flood and landslide risk prevention and management	<ul style="list-style-type: none"> - National Strategic target: Preventing or reducing the impact of human activity on surface and groundwater by applying the principles of integrated management. Integrated management of water resources and achieving sustainable consumption of the resource for the needs of the population and the economy of the country. Protection and improvement of the environmental status of the Black Sea marine waters. - Policy objective/Specific objective: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management/Promoting adaptation to climate change, risk prevention and management. 	EUR 6.05 million	Cohesion Fund – 85%. State budget (national fund) – 15%.
Priority axis 1 “Sustainable and Integrated Urban Development”	<ul style="list-style-type: none"> - Policy Objective (PO) 5: Europe closer to citizens by promoting the sustainable and integrated development on all types of territories; Sustainable Development Goal (SDG): Secure jobs and economic growth and Sustainable cities and communities - Policy Objective (PO) 2: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate 	EUR 106 million	ERDF – 85% and state budget – 15%

Priority axis	Main strategic objectives and link to the SCR/ EU Sustainable Development Goals	Value of the overall investment for 2019	Sources of funding
	<p>change and risk prevention and management; Sustainable Development Goal (SDG): Renewable energy</p> <ul style="list-style-type: none"> - Policy Objective (PO) 3: A better connected Europe by improving ICT mobility and regional connectivity - Policy Objective (PO) 4: More social Europe – realising the European Pillar of Social Rights; Sustainable Development Goal (SDG): Eradicating poverty, Quality education, Reducing inequalities. 		
Priority Axis 2 “Support for energy efficiency in support centres in peripheral regions“	Policy Objective (PO) 2: Greener, low-carbon Europe by promoting a clean and fair energy transition, green and blue investments, circular economy, adaptation to climate change and risk prevention and management; Sustainable Development Goal (SDG): Renewable energy, Sustainable cities and communities	EUR 20.5 million	ERDF – 85% and state budget – 15%
Priority Axis 3 ”Regional Educational Infrastructure“	Policy Objective (PO) 4: More social Europe – realising the European Pillar of Social Rights; Sustainable Development Goal (SDG): Quality education	EUR 16.5 million	ERDF – 85% and state budget – 15%
Priority Axis 4 “Regional health infrastructure“	Policy Objective (PO) 4: More social Europe – realising the European Pillar of Social Rights; Sustainable Development Goal (SDG): Better health	EUR 2.4 million	ERDF – 85% and state budget – 15%
Priority Axis 5 “Regional social infrastructure“	Policy Objective (PO) 4: More social Europe – realising the European Pillar of Social Rights; Sustainable Development Goal (SDG): Eradicating poverty, Reducing inequalities	EUR 10.5 million	ERDF – 85% and state budget – 15%
Priority axis 6 “Regional tourism“	<ul style="list-style-type: none"> - Policy Objective (PO) 5: Europe closer to citizens by promoting the sustainable and integrated development on all types of territories; Sustainable Development Goal (SDG): Secure jobs and economic growth, Sustainable cities and communities 	0	ERDF – 85% and state budget – 15%
Priority Axis 7 “Regional road infrastructure“	<ul style="list-style-type: none"> - Policy Objective (PO) 3: Better connected Europe by improving ICT mobility and regional connectivity; Sustainable Development Goal (SDG): Good health, Innovation and Infrastructure, Sustainable Cities and Communities 	EUR 49.8 million	ERDF – 85% and state budget – 15%
Priority Axis 1 ”Development of railway infrastructure under the “core“ and “extended“ Trans-European transport network“	<ul style="list-style-type: none"> - Promoting sustainable transport and removing bottlenecks in key network infrastructures. - Supporting a multimodal Single European Transport Area by investing in the TEN-T - Attracting passenger and freight traffic by improving the quality of rail infrastructure on the Trans-European Transport Network 	EUR 31.04 million	OPTTI 2014-2020
Priority Axis 2 ”Development of road infrastructure under the	<ul style="list-style-type: none"> - Promoting sustainable transport and removing bottlenecks in key network infrastructures 	EUR 70.8 million	OPTTI 2014-2020

Priority axis	Main strategic objectives and link to the SCR/ EU Sustainable Development Goals	Value of the overall investment for 2019	Sources of funding
“core“ and “extended“ Trans-European transport network“	<ul style="list-style-type: none"> - Supporting a multimodal Single European Transport Area by investing in the TEN-T - Removing bottlenecks on the Trans-European Transport Network 		
Priority Axis 3 “Improving the intermodality in passenger and freight transport and developing sustainable urban transport“	<p>Supporting the shift towards a low-carbon economy in all sectors</p> <p>Promoting low-carbon strategies for all types of territories, in particular for urban areas, including the promotion of sustainable multimodal urban mobility and adaptation measures in connection with the mitigation of climate changes</p> <p>“Increased use of the metro” Promoting sustainable transport and removing bottlenecks in key network infrastructures</p> <ul style="list-style-type: none"> - Supporting a multimodal Single European Transport Area by investing in the TEN-T <p>"Increasing the potential for the use of intermodal transport along the Orient/East Med Corridor, section Sofia-Plovdiv-Burgas"</p>	EUR 85.8 million	OPTTI 2014-2020
Priority Axis 4 “Innovation in management and services – Implementation of modernised infrastructure for traffic management, improvement of transport safety and security“	<ul style="list-style-type: none"> - Promoting sustainable transport and removing bottlenecks in key network infrastructures – Developing and improving environmentally-friendly (including low-noise) and low-carbon transport systems, including inland waterways and maritime transport, ports, multimodal links and airport infrastructure, in order to promote sustainable regional and local mobility <p>“Improving transport management through the incorporation of innovative systems”</p> <ul style="list-style-type: none"> - Developing and rehabilitating comprehensive, high quality and interoperable railway systems, and promoting noise-reduction measures - Improving railway network management 	EUR 2.4 million	OPTTI 2014-2020
Connecting Europe Facility, sector “Transport”	Promoting growth, job creation and competitiveness through targeted investments in transport infrastructure at European level	EUR 143.9 million	CEF 2014-2020



Country-specific recommendation 4

Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education and training, in particular for Roma and other disadvantaged groups. Address social inclusion through improved access to integrated employment and social services and more effective minimum income support. Improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.

Policy Summary

The active labour market policies in 2020 will focus on upskilling the workforce and acquiring vocational qualifications to improve the employability and for rapid adaptation in the event of changes in the labour market demand. Further priority will be given to improving the digital skills of the workforce, given that digital technologies will be a key factor in increasing the productivity and moving towards a sustainable economic model. These policy actions will help address structural weaknesses in the Bulgarian labour market such as shortages of skilled labour, mismatches between labour market demand and supply, low digital skills, activation of economically inactive people, including young people not in employment, education or training (NEETs). The activities for upskilling and qualification by the workforce will be supported by subsidised employment measures, including for disadvantaged groups and NEETs.

The active labour market policies, which should also contribute to improving the country critical indicators under the European Pillar of Social Rights, such as low digital skills and a high share of NEETs, are supported by investments under OPHRD and ESF. In 2020 OPHRD will finance training activities for unemployed people from the most vulnerable groups in the labour market – unemployed young people (traineeships, coaching or training for obtaining professional qualifications and/or key competences against vouchers), low-educated and unskilled people, long-term unemployed persons, unemployed persons over 54, as well as for enhancing the digital skills of employees by developing professional profiles of priority professions for the Bulgarian economy in conjunction with the social partners.

The employment policies will also target employees and improve their skills and adapt them to the changes.

In the context of the new European Skills Agenda adopted by the EC, training to improve the digital skills of the unemployed will also be funded in 2020.

For social integration, including in the employment of the most vulnerable groups, the successful implementation of the "one-stop-shop" model of administration for citizens will continue through the provision of integrated services under the "Face-to-face services in Employment and Social Assistance Centres" project.

Policies to include and successfully integrate children and pupils in pre-school and school education and to reduce early school leaving continue to be implemented sustainably in 2020. These policies shall be implemented in conjunction with measures to improve the educational outcomes, with a focus on the implementation of the competence approach and, in this context, on enhancing the prestige, attractiveness and level of professional competences of teachers.

Conditions shall be provided for inclusive education with particular attention to the most vulnerable groups – children and pupils with special educational needs, children and pupils from ethnic minorities, migrant families and applicants for or beneficiaries of international protection.

The MES policies will also be aimed at stimulating the interest in vocational education and increasing the number of people involved in specialities from STEM professions.

The reform aimed at developing the higher education will continue in 2020.

To improve the access to healthcare, the process of extending the scope of health activities guaranteed by the NHIF budget continues. In order to ensure the quality of medical activities, a draft regulation is being prepared to update all medical standards.

To improve the access to specialised medical care for patients in emergencies, a large investment project financed under OP "Regions in Growth" 2014-2020 is being implemented, which modernises and renovates emergency rooms, emergency medical centres and their affiliates. With the implementation of the project, 98% of the population will have up to 30 minutes of emergency medical access for 24 hours of treatment and monitoring.

In addition, through projects funded under OPHRD 2014–2020, it is ensured to improve the qualifications, knowledge and skills of the employees in the emergency medical care system, as well as support the residents.

To increase the efficiency of the health system and health outcomes in 2020, the objectives and measures of the National Health Strategy 2020 and its Action Plan will continue to be implemented. One of its key measures to ensure an effectively functioning health system is the digitisation and integration of systems in the sector through the establishment of a National Health Information System (NHIS). With the finalization of the first stage of its construction, the foundations for the development of eHealth in Bulgaria will be laid, which will allow for shortening the time for patient care, facilitating access to modern and high-quality health services and optimising strategic management of the health sector.

The achieved increase of the prices for medical activities paid by the NHIF contributes to the reduction of the direct payments by patients. Further action was taken to amend the Health Insurance Act, aiming at guaranteeing the rights of patient to receive the medical care included in the package guaranteed by the NHIF without further payment.

To address the shortage of professionals and the regional disproportions, MH pursues a targeted policy related to creating an enabling environment providing opportunities and incentives for the professional development of the health professionals. The measures will be implemented through forthcoming changes in the regulatory framework governing the conditions for acquiring specialisation in the healthcare system in 2020. The changes envision easing the conditions for specialisation and making it possible to provide state funding for the training of the necessary health professionals and in medical institutions that are not training bases, thereby improving access to medical care for the population served by these institutions.

The main components of the pharmaceutical policy cover the development, implementation, monitoring and strengthening of legislation aimed at ensuring the dissemination of quality, efficient and safe medicinal products only; ensuring the financing of medicinal products through public funds; and the organisation of the system for supplying medicinal products to the general public.

— Labour market

Findings from the National Report on Bulgaria 2020	Policy Response
Labour market developments remain positive, though labour shortages and the steady decrease in the working-age population pose challenges.	The implementation of the National Employment Action Plan 2020 to increase the qualifications and skills of the unemployed and the employed, increase the employment of disadvantaged groups in the labour market, as a priority of the least developed regions.
The regional differences in the labour market remain significant.	Supporting the local economy and reducing unemployment through the implementation of 28 Regional Employment Programmes funded from the state budget providing employment to unemployed people from vulnerable groups.
The upgrading measures can be essential to prepare the workforce for the changes in the labour market needs.	Development and institutionalisation of sustainable partnerships between employees' organisations and employers' organisations at national or sectorial level in relation to the digitisation of work processes and the design, implementation and preparation for mass use of pilot tools.
The labour market integration of vulnerable groups remains weak.	In 2020, more than 11,824 unemployed people will be included in training for acquiring/upgrading vocational qualifications (3% more than 2019) with government funding, in line with employers' needs for certain knowledge, skills and competences, including on social partners' projects. More than half of the unemployed (6,300) will be involved in training to acquire the key competences needed to pursue the professions. 1 200 employees from medium, small and micro enterprises will also receive training in key competences, including digital competences.

The number of young people not in employment, education or training remains high but decreasing.

The Employment Agency provides intermediation services aimed at acquiring skills from unemployed people in the most disadvantaged groups, setting up jobs more quickly and achieving sustainable employment. New intermediation services targeting vulnerable groups in the labour market – Post-employment counselling and mentoring, Mobile Labour Office and Family Labour Consultant – will continue to be implemented in all employment offices. The conclusion of Agreements on integration into employment with the long-term unemployed will continue.

Increasing labour market participation and reducing the number of inactive persons, including young people, through activation, inclusion and employment measures implemented by the Employment Agency

— Education

Findings from the National Report on Bulgaria 2020

Policy Response

Quality and inclusiveness of education remain major challenges, despite the ongoing reforms.

To improve pupils' educational outcomes, a baseline policy in 2020 is the introduction of a competence approach, which requires a shift in focus in training from teaching knowledge to mastering key competences and developing critical thinking and problem-solving capabilities.

An initiative has been launched to make changes to the Pre-school and School Education Act – introducing compulsory pre-school education from the age of 4, including by removing socio-economic barriers and helping to overcome inequalities.

The sustainable implementation of the Institution Collaboration Mechanism continues in 2020 with a focus on the successful inclusion and prevention of school drop-outs.

Specific policy measures and activities to increase the coverage and quality of pre-school and school education and national education development programmes are foreseen to be implemented in 2020.

In 2020, the latest changes to the Higher Education Act will continue to sustainably implement policies to improve its quality and link it to the labour market.

Although the education budget has been increased over the years, it does not have specific objectives or a result-oriented character.

To measure and monitor the results of the implementation of the sectorial policies, the government has launched an initiative to define key performance indicators. These indicators are regularly included in the medium-term budgetary forecast and its update to monitor the consistency between the provided public resources and the expected results, as well as between subsequent expenditure and the level of achievement of the objectives and the required results.

The digital skills of the young population are weak.

Activities to improve access to information and communication technologies are being carried out in 2020 to raise the level of digital skills of children and students. The policy is built upon through the implementation of a national programme for the development of education and one of the largest projects “Education for Tomorrow“ under OP SESG.

Participation rates in adult learning programmes are among the lowest in the EU.

In 2020, the coherent implementation of the adult literacy policy continues through an OP SESG project aimed at increasing participation in different forms of lifelong learning for better realisation on the labour market. Concrete measures have also been taken to implement the national priorities implementing the European Agenda for Adult Learning and the continued national support for the Electronic Platform for Adult Learning in Europe (EPALE).

Findings from the National Report on Bulgaria 2020

Policy Response

On average, one person in ten in Bulgaria does not have health insurance and therefore has limited access to the public health care system.

Under the legislation, the health insurance in Bulgaria is mandatory and guarantees access to medical care for insured persons through a defined type, scope and volume of a package of health activities. Certain population groups are insured at the expense of the state budget, thereby guaranteeing their access to health services under the mandatory health insurance. The budget of the Ministry of Health, irrespective of the health insurance status of individuals, finances health activities outside the scope of health insurance – emergency medical care; mental health, long-term treatment of premature children and children with disabilities; rehabilitation programme for women with breast cancer; prophylactic activities during pregnancy as well as birth in uninsured women; screening programmes for new-born children and pregnant women; early detection and timely treatment of congenital diseases. Beyond the scope of the mandatory health insurance, the Bulgarian citizens are also provided with the possibility of financial support for treatment abroad when the relevant type of treatment cannot be carried out in a timely manner in Bulgaria.

The direct payments from patients in Bulgaria are the largest in the EU.

In order to reduce the direct payments by patients, the concluded NFCs for medical and dental activities will have a major impact for the period 2020-2022, where a more adequate valuation of medical activities is achieved. In the NFCs for medical activities, an average of 14% is the increase in prices in 251 clinical pathways and 7 clinical procedures, an average of 18% is the increase in prices for medical diagnostic activities, and 7% is the increase in prices for specialised outpatient care for primary examination, primary preventive examination under the Mother Health programme, secondary examination, medical expertise, etc. For the first time, NFC is concluded for a period of three years, ensuring the sustainability of the implementation of measures to reduce the direct payments.

It is particularly difficult for the poorest to afford the healthcare they need.

Apart from the groups, which are provided for the account of the state, the persons who have no income and/or personal property to provide them with personal participation in the health insurance process, are provided by the state budget funds for diagnosis and treatment in medical institutions for hospital care. It should be noted that the mandatory health insurance contribution is 8% of the income and lower than in most of the Member States. The user fee for health insurers is also minimal (€1.5, i.e. single fixed fee for a service; flat rate) and not dependant on the value of the services used. The hospital treatment fee shall be paid regardless of the duration of the hospital stay for no more than 10 days per year.

There is a shortage of nurses and general practitioners. The number of doctors is above the EU average, but at local level their distribution varies widely.

In the last 13 years, there has been a steady trend to increase the number of physicians in the country, with 42.4 per 10,000 people as of 31.12.2018 (EU on average – 35.1 per 10,000). However, there is an uneven territorial distribution – the regional disparities range from 2.4 times. In order to stimulate interest in acquiring the speciality “General Medicine”, by amending Ordinance No. 1 of 2019, a change in the conditions for specialization in general medicine was made in the context of the possibility of subsidizing the training bases.

A specific problem is the small number of nurses: the ratio of nurses to doctors is only 1.03:1 (30,589 nurses and 29,667 doctors). In view of this, the Ministry of Health has taken action to establish rules for regulation and the possibility of increasing the salary of health professionals

– doctors and nurses, including by increasing the prices of over 100 clinical pathways from 01.07.2019, as well as the values paid by the Ministry of Health for activities outside the scope of health insurance.

The effectiveness of the healthcare system in Bulgaria remains low compared to other Member States.

Among the key measures to ensure an effectively functioning health system is the digitisation and integration of systems in the sector through the establishment of a National Health Information System (NHIS) and the development of eHealth. Currently, a project for the implementation of NHIS is being implemented, and with the finalization of the first stage of its construction will lay the foundations for the development of eHealth in Bulgaria, which will allow for shortening the time for patient care, facilitating access to modern and high quality health services and optimising strategic management of the health sector.

Table 2.1.4: Measures addressing CSR 4, Part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Active measures on the labour market	Ensuring the employment of vulnerable groups in the labour market, including in less developed regions.	Operation “Work” – providing employment at the municipalities to unemployed and inactive persons from regions of high level of unemployment	2015	By the end of 2019, the operation was implemented in more than 188 municipalities with high levels of unemployment In process of implementing the project activities. Employment has been provided to 10,829 persons, of whom 1,091 are transitional from the National Programme “Employment”.	In a process of implementation of project activities.	2023	BGN 90 million under OP HRD	Unemployed and inactive persons – 11,000
		Operation “Training and employment for young people“	2015	Since the start of the scheme implementation, employment was provided to 23,289 persons, of whom – 575 permanently disabled persons under Component II of the project. Of these 21,552 persons were included in direct employment, while 1,737 persons were included in employment after a completed training.	In a process of implementation of project activities.	2023	BGN 123,854,936	Unemployed participants aged 15 to 29 – 24 700. Unemployed persons with permanent disabilities aged 15 to 29 – 200
		Operation “Trainings and Employment”	2015	Since the start of the implementation of the scheme, 19,324 persons have been employed, including 8,989 persons with permanent disabilities, under Component II of the project. Of these 17,879 persons were included in direct employment, while 1,445 persons were included in employment after a completed training.	In a process of implementation of project activities.	2023	BGN 201 million Component 1 BGN 81 million Component 2 BGN 120 million	Inactive and unemployed persons aged over 29years – 7,400. Inactive and unemployed persons with permanent disabilities aged over 29 years– 8,510
	Increasing employability and adaptability of the workforce	Training of unemployed persons for acquiring professional qualifications and key competences through the implementation of projects of the social partners, SEBGCVT, CHRDR, as well as adult trainings under Art. 63 of the EPA, financed with funds from the SB	February 2020	A procedure organised and conducted jointly by the Labour Office Directorates and the social partners for the selection of unemployed persons for inclusion in training and employment; the formation of groups of trainees and teaching teams; trainings on key competences and/or trainings for the acquisition of professional qualifications of unemployed persons.	Implementation of 7 projects of the social partners Training of unemployed persons in CHRDR; Training of unemployed persons in SEBGCVT; Training of unemployed persons in accordance with Art. 63 of the EPA	December 2020	BGN 14.1 million	Training of 6,857 unemployed people under the social partner projects Training of 435 unemployed persons in CHRDR -

1	2	3	4	5	6	7	9	10
								Training of 2,822 unemployed persons in SEBGCVT. Training under Art. 63 of the EPA for 300 unemployed persons
	Increasing employability and adaptability of the workforce	Training in key competences of 1,200 employed persons in medium, small and micro enterprises under Art.63, para. 1, item 3 of the EPA, financed with funds from SB	February 2020	Organized and conducted procedure for organizing training on key competences of employed persons under Art. 63 of the IP EPA; formation of groups of trainees and teaching teams; initiation of training on key competences of employed persons in medium, small and micro enterprises	Organisation and conduct of training on key competences of employed persons in medium, small and micro enterprises	December 2020	BGN 103.8 thousand	Training of 1200 employed persons
		Operation "Skills" programmed in line with lifelong learning priorities, providing employers with the ability to train both employed and newly recruited unemployed in their enterprises through professional qualification or workplace/job-specific work processes.	2019	Currently, contracts are concluded with eligible applicants.	In the process of fulfilling the contracts concluded.	2023	BGN 33.8 million	Training for professional qualification, key competences and specific training of at least 5,500 employed, unemployed and inactive persons.
	Activation of economically inactive persons including NEETs	In order to promote active labour market behaviour of inactive and discouraged persons, 78 Roma mediators worked in the country's LODs in 2019 under the NP "Activating inactive persons". In municipalities with a high number of young people who are not in any form of employment, education or training (NEETs) 93 youth mediators are employed.	2015	Activities of Roma, youth mediators, psychologists and case managers aimed at activating inactive persons is provided. Work exchanges are being held.	In the process of evaluating the submitted project proposals.	December 2020	BGN 3,921,638	11,814 economically inactive persons, of whom 1,117 young people are registered as unemployed persons in the LOD. 2,715 were put to work and 149 were included in training. Employment of 419 persons in 2020
		Project "Ready to Work" under OP HRD 2014-2020 aims to stimulate the activity and improve the employability of young people up to the age of 29, including who are neither in education or training nor in employment and are not registered as unemployed persons in the LOD to EA.	2016	20,801 inactive persons have been identified, of which 18,626 persons have been activated.	In process of implementing the project activities. The activities set out in the project relate to identifying, informing and motivating the active labour market behaviour of economically inactive young people up to and including 29 years of age who are not in education or training, conducting "job-seeking studios", targeting appropriate	2023	Total budget of the operation – BGN 15 million Funding from the YEI – BGN 8 million Funding from ESF – BGN 7 million	Inactive persons aged 15 to 24 not in training or education – 10,500; Inactive persons aged 25 to 29 not in training or education – 7,000.

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					measures and organising labour exchanges.			
	Employment of vulnerable groups in the labour market in less developed regions.	Regional employment programmes targeted at disadvantaged groups in the labour market.	2020	A procedure for the development of the Regional Employment Programmes is pending.	Development, approval and implementation of 28 regional programmes.	December 2020	BGN 4.7 million	1,000 unemployed people to join subsidised employment.
	Guaranteeing social protection of vulnerable population groups.	Providing social protection to the lowest income and high-risk groups of the population by providing social assistance.	2016	In 2019, effective 16 August 2019, the amendments and supplements made to the Regulation for the implementation of the Social Assistance Act entered into force. The amendments and supplements referred to the introduction of new target groups of parents raising children in compulsory pre-school and school age, when in determining the level of vulnerability and access to monthly assistance is taking into account the fulfilment of the parental commitment regarding the inclusion of children in the education system and the permanent visits to schools and kindergartens. Reliefs have been introduced to receive monthly benefits for unemployed who carers of people with mental illness, certified by a document from the competent authorities, when it is unable to self-handle the requirement for compulsory registration with the Labour Offices. Benefits were also introduced for children from 16 to 18 years of age who do not study and are registered as unemployed in the Labour Office Directorate in connection with their exemption from community service work. During the winter season 2019/2020 the basis for determining differentiated heating income was the introduction of a new "Basic Heating Income", which is double the amount of the defined monthly guaranteed minimum income (BGN 150.00). Extended coverage of assisted persons and families by increasing the individual odds for access to the mentioned target aid. The highest increase is for the at-risk groups - the elderly, and especially those who live alone, people with disabilities and parents raising	In 2020, social protection of the lowest income and high-risk groups of the population will continue to be guaranteed through the provision of social benefits.	permanent	1/ Amount of social benefits (monthly, one-off, targeted rent allowances, targeted diagnostics and treatment allowances, CMD 17, targeted heating allowances) for 2019 – BGN 163,752.0 million; 2/ Stimulating labour mobility and migration.	Providing social protection to the lowest income and high-risk groups of the population by improving the effectiveness of providing social benefits.

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				their children involved in the educational process. It has been increased the size of the targeted benefit for heating, which is 93.18 and fully compensates for the increase in the price of electricity. During the winter season an increase of the total increase of the programme by BGN 40,400,000 is envisaged and in the forecast period it will be realized to the amount of BGN 121.2 million.				
	Providing additional support for the personal development of children and pupils included in the mainstream system of pre-school and school education.	Providing conditions and resources for additional support for personal development: - by pedagogical specialists from RCSIE. - by pedagogical specialists in kindergartens and schools. The aim is to achieve a gradual, smooth transition of the pedagogical specialists, providing additional support, from the RCSIE to kindergartens and schools.	January 2020	For the past 2019, a supportive environment has been provided in the kindergartens and schools themselves or by Regional Centres for Support of Inclusive Education to a total of 20,010 children and pupils in pre-school and school education and training, of which 15,689 in schools and 4,321 in kindergartens.	Providing conditions and resources for additional support for personal development for children and pupils in 2020	December 2020	Ensured supportive environment by specialists assigned to RCSIE and in kindergartens and schools for the children and pupils with special educational needs included in the mainstream system of pre-school and school education.	Children and pupils with SEN who receive integrated training in the pre-school and school education system are supported by 4,122 pedagogical specialists employed in kindergartens and schools. 8,022 children and pupils with special educational needs who are trained in an integrated way in schools and kindergartens are further supported by 926 pedagogical specialists from regional centres for support of inclusive education.
Providing quality inclusive education to disadvantaged groups	Support for children and pupils with special educational needs and children and pupils with behavioural problems and manifested talents, by promoting and unleashing the potential of each child and pupil for personal development, as well	Implementation of the procedure "Support for inclusive education" under OPSESG	2020	Approval of the procedure by the Monitoring Committee is pending.	Implementing activities related to: Functional assessment of individual needs of children and pupils; Specialized training; Provision of materials and educational and technical tools; Working with families with children and pupils with special educational needs and those with behavioural problems. Personal development support activities for children and pupils with SENs, manifested talents and behavioural problems; Prevention of the reduction of verbal aggression, physical violence and self-aggression in kindergartens and schools.	2023	BGN 31 million	

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	as successful realization and socialization.							
Providing quality inclusive education to disadvantaged groups	Increasing the quality of life, social inclusion and poverty reduction, as well as the lasting integration of the most marginalised communities, including Roma, through the implementation of integrated measures and an integrated approach	Implementation of procedure BG05M90P001-2.018 “Socio-economic integration of vulnerable groups to improve access to education. Integrated measures to improve access to education” under OPSESG and OPHRD Component 1	2019	The activities being implemented are related to additional Bulgarian language training for children and pupils (including children and pupils seeking or having received international protection) for whom Bulgarian is not a mother tongue. Providing psychological support to children from ethnic minorities. Supporting Roma pupils to pursue secondary education and to successfully complete secondary education.	The procedure is in process of implementation The procedure shall implement activities related to: - Additional Bulgarian language training for children and pupils (including children and pupils seeking or having received international protection) for whom Bulgarian is not a mother tongue; - Re-integration into the education system of young people up to the age of 18 who dropped out of school; - Providing an appropriate educational environment for inclusion of Roma pupils from ethnically distinct schools through phased admission to schools outside Roma neighbourhoods (including transporting them, if necessary, from Roma quarters/neighbourhoods in cities to school); - Career counselling and career guidance for pupils from ethnic minorities and seeking or receiving international protection; international protection; - Support for pupils from ethnic minorities for continuing education in the secondary stage and for successful completion of secondary education; - Working with parents from ethnic minorities and/or parents seeking or receiving international protection who prevent their children from attending kindergarten or school regularly;	2020	Under Component 1 total budget – BGN 50 million, of which under OPSESG – BGN 20 million ; under OPHRD – BGN 30 million	Target value: Number of children, pupils and young people from ethnic minorities (including Roma) participating in educational integration and reintegration measures – 6,000 Number of children, pupils and young people from ethnic minorities (including Roma) integrated into the education system – 4,800 Current value as at December 2019: - Children, pupils and young people from marginalised communities (including Roma) involved in educational integration and reintegration measures – 4,271; Children, pupils, young people from ethnic minorities (including Roma) integrated into the education system – 480

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	Improving the access to education and the quality of education of children and pupils from ethnic minorities	Measures are being implemented to achieve the objectives of the Strategy for the Educational Integration of Children and Pupils from Ethnic Minorities (2015-2020).	January 2020	Implementation of the Action Plan on the Implementation of the Strategy for Educational Integration of Children and Pupils from Ethnic Minorities (2015-2020).	Implementation of the measures of the Action Plan implementing the Strategy for the Educational Integration of Children and Pupils from Ethnic Minorities (2015-2020) for 2020, including implementation of appropriate communication strategies to create a positive attitude towards education among children and parents from vulnerable ethnic communities. Holding a national conference on the dissemination of good practices in the field of education integration.	December 2020	Funds from the state budget, National Programmes and European projects are used to implement the measures of the Strategy.	Improved access to education and the quality of education for children and students from ethnic minorities.
	Support for pupils from vulnerable secondary education groups to apply to higher education institutions and support the training of students, doctoral students, post-doctoral students and residents from vulnerable groups.	Implementation of procedure "Support to vulnerable groups for access to higher education" under OPSESG.	2020	Approval of the procedure by the Monitoring Committee is pending.	The activities are under discussion with the stakeholders.	2023	BGN 10 million	Pupils from vulnerable secondary education groups supported to apply to higher education institutions; students, doctoral students, post-doctoral students and residents from vulnerable groups supported in training.
	Increasing participation in different forms of lifelong learning for better labour market uptake	Procedure "ADULT LITERACY – 2" under OPSESG.	2020	Approval of the procedure by the Monitoring Committee is pending.	Activities will be implemented to promote the need to increase and promote literacy and raise awareness of the benefits of literacy enhancement; Activities to motivate illiterate adults to participate in training, including information events; Update of adult learning tools; Organise and conduct adult literacy courses and content learning courses for different degrees.	2023	BGN 15 million	Increased participation in various forms of lifelong learning.
	Strengthening the professional competences of teachers, directors and other pedagogical specialists to work in a multicultural environment and to teach knowledge and skills of children and pupils to perceive ethno cultural differences.	Implementation of procedure BG05M2OP001- 3.017 "Enhancing the capacity of pedagogical specialists to work in a multicultural environment" under OPSESG.	2020	The procedure has been announced in the ISMMEUF for application.	The activities to be carried out are: – Development and updating of strategies, plans, programmes, analyses, recommendations, competent profiles, etc. of the educational institution for multicultural work, according to the identified needs; - Conducting short-term trainings of teachers, pedagogical specialists and directors of schools and kindergartens for work in a multicultural educational environment;	2023	BGN 7 million	Target value: Pedagogical specialists involved in training in multicultural work – 3,600.

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Improving the access to healthcare services	Implementing the 2020 National Health Strategy.	Implementing the Concept "Goals for Health 2020" and the Action Plan to the National Health Strategy 2020.	2017	<p>Extended scope of health activities guaranteed by the budget of the NHIF by approving Ordinance No. 9/2019 defining the package of health activities guaranteed by the budget of the NHIF (promulgated SG, issue 98 of 13 December 2019) Concluded National Framework Contract for the period 2020-2022.</p> <p>A draft regulation on the approval of medical standards is being prepared.</p> <p>Ensuring the application of the National Health Card and the activities of the EA MS.</p>	<p>Updating the package of health activities guaranteed by the NHIF budget and the conditions under the NFC 2020-2022, if necessary.</p> <p>The Ordinance on the validation of medical standards has been promulgated.</p> <p>Adoption of the National Health Card in 2021</p>	2022	Improving and strengthening the health status, reducing health inequalities and providing a healthcare system having high quality of medical services.	<p>Achieving the five key objectives of the Strategic Framework (see National Health Strategy 2020).</p> <p>2. Population covered by the improved emergency medical care services- 7,245,677;</p> <p>3. Upgraded Emergency Medical care facilities – 237;</p> <p>4. Purchased modern sanitary vehicles (ambulances) – target value 400, achieved so far 142;</p> <p>5. Children covered by newly created health and integrated social services – 328.</p>
		Providing integrated health and social services for children with disabilities	2019	Three Centres for Comprehensive Service for Children with Disabilities and Chronic Diseases (CCSCDCD) have been established.	Establishment of 5 more CCSCDCD	2020	Improving and strengthening the health status, reducing health inequalities and providing a healthcare system having high quality of medical services.	
		Improving the access and quality of healthcare for citizens in implementation of the Concept for Development of Emergency Medical Assistance in the Republic of Bulgaria.	2018	Implementation of a major investment project "Support for the development of the emergency medical care system" – purchase of specialized vehicles and equipment, execution of construction works.	Implementation of the planned project activities: execution of contracts for the supply of medical vehicles, execution of contracts for the supply of equipment, furniture and execution of construction works. Public procurement for execution of construction works.	2021	Improved quality and easier access to modern emergency medical services. OPRD 2014-2020 – BGN 163.5 million	
		Providing patronage care for adults – fulfilling the MH commitments under the 2018-2021 Action Plan to implement the National Strategy for Long-Term Care	2019	Implementation of part of the activities under OPHRD project "Patronage Care for the Elderly and the Disabled – Component 1"; Methodology developed for the provision of patronage care; A developed and approved programme for specific training of health care professionals	Implementation of the planned project activities.	2021	OPHRD 2014-2020 – BGN 200,000	

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				<p>and social services professionals who will provide patronage care;</p> <p>Introductory training of experts from the RHI to monitor the process of staff training and supervision of the provision of patronage care;</p> <p>The monitoring and the supervision of the provision of patronage care has started.</p>				<p>2. Monitoring and supervision of the provision of the service – target value 252 checks carried out on training and supervision of the service; achieved so far – 80.</p>
		Implementation of the project "Construction of infrastructure for the provision of specialized health and social care for disabled children – 1 and 2" in implementation of the National Strategy "Vision for deinstitutionalisation"	2018	<p>Implementation of the project activities.</p> <p>Eleven contracts for the implementation of construction works for the construction of centres for specialized health and social care were concluded.</p>	Public procurement for the selection of a contractor for the supply and installation of modern and safe furniture and equipment in centres for specialized health and social care for children with disabilities with a need for permanent medical care and for children with high risk behaviour and a need for special health care is forthcoming.	2020	<p>Improved care, medical surveillance and social work to support children with disabilities and high-risk behaviour and their families.</p> <p>OPRD 2014-2020 - BGN 13 million</p>	<p>1. Twenty centres for specialized health and social care for children with disabilities with a need for permanent medical care have been built;</p> <p>2. Six centres for specialized health and social care for children with high risk behaviour and the need for special health care have been built;</p> <p>3. 328 sites were provided with improved childcare infrastructure</p>
	National Programme for the Prevention of Chronic Non-Communicable Diseases 2014-2020	Improving the implementation of effective screening programmes for early detection and early intervention of socially significant oncological diseases.	2015	<p>The following activities were carried out to perform the prophylactic examinations in 2019 for breast cancer, cervical cancer and colorectal cancer:</p> <p>3900 people underwent prophylactic examinations for oncological diseases, including 3878 persons who were tested (respectively 3559 women for breast cancer, cervical cancer and colorectal cancer and 341 men for colorectal cancer).</p> <p>The age of participants in the screening ranged from 18 to 86 years, depending on the judgement of the professionals on the need to conduct them on a case-by-case basis.</p> <p>For family burden for cervical cancer reported – 355 persons (27.3%), breast cancer –</p>	<p>Implementation of the planned activities under the National Programme for the Prevention of Chronic Non-Communicable Diseases 2014-2020</p> <p>Extending the screening activities and creating resilience to oncological disease prevention by the end of 2020</p>	December 2020	Improving the effectiveness of the planned and implemented preventive measures for early detection of oncological diseases	<p>Conducting screening examinations for early detection and early intervention of socially significant oncological diseases in persons in economically active groups aged 20-65 years:</p> <ul style="list-style-type: none"> - 500 examinations for breast cancer; - 500 examinations for cervical cancer;

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				<p>657 persons (50.5%) and colorectal cancer – 288 persons (22.2%).</p> <p>Of the 1281 mammogram examinations performed, 549 showed changes in the mammary gland structure. These persons are directed for a different type of additional research, consultation and treatment.</p> <p>Of the 1297 cervical smear tests performed, 1288 had negative results and 9 (0.7%) with modifications, including inflammatory, degenerative changes and dysplasia, etc. 44 individuals were targeted for further examinations, tests and treatment.</p> <p>Of the 1,300 examinations performed with tests for occult bleeding, 51 (4%) tests were positive. 51 individuals were targeted for further research.</p> <p>Of the 3900 prophylactic examinations carried out for cancer, 344 people (8.8%) were targeted for further research and consultation.</p> <p>The implementation of the activities on the oncological diseases screening in 2019 also included training activities and awareness-raising campaigns, conducted by the contractors, targeting both the public and healthcare professionals.</p>				- 500 examinations for colorectal cancer.
	Improving the pricing mechanism of medicinal products and rationalisation of medicinal use	<p>Introducing mechanisms to ensure financial stability.</p> <p>Introducing clear rules for pharmaceutical market participants and good European practices.</p> <p>Introducing a mechanism for assessing health technologies in the administration of medicinal products.</p> <p>Introducing effective drug treatment by creating conditions for generic substitution and/or prescription of medicinal products.</p>	2019	<p>Prepared ASA to the MPHMA, approved by the Council of Ministers Decision No. 7 of 09.01.2020, submitted for consideration by the National Assembly. The following changes are envisaged:</p> <ul style="list-style-type: none"> – Creating conditions for the implementation of Directive 2011/62EU and Delegated Regulation (EU) 2016/161 related to specific measures for the introduction of the national system for the verification of medicinal products for human use as regards the prevention of the entry of falsified medicinal products into the legal supply chain; - Creation of a National Pharmacy Card; - Implementation of commitments assigned by Resolution No. 704 of the Council of Ministers of 2018 for the adoption of measures 	<p>Monitoring and strengthening the legislation in the field of medicinal products and medical devices;</p> <p>Creating preconditions for the preparation of a National Pharmacy Card;</p> <p>Preparation of methodological guidelines to the RHI for monitoring the compliance with established prices, price caps, registered prices of medicinal products at retail sale by pharmacies and drug stores located in the territory of the respective area.</p> <p>Making the most of the potential of the eHealth.</p>	December 2020	<p>Providing medicinal products that meet the standards of quality, safety and efficacy to meet the needs of the population;</p> <p>Control of the costs of the NHIF for medicinal products in order to observe budgetary discipline and optimise the costs of public</p>	<p>Improved access to healthcare;</p> <p>Improved access to affordable medicinal products.</p> <p>Number of HTA procedures for:</p> <ul style="list-style-type: none"> - Inclusion in the PLMP of medicinal products belonging to new international non-proprietary names – 29 procedures; - for the addition of new therapeutic

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				<p>for transformation of the model of administrative services;</p> <ul style="list-style-type: none"> - Creating regulatory prerequisites for optimizing the control on pharmacies; - Prohibition of the same trader to hold both a retail authorisation and a wholesale marketing authorisation for medicinal products in order to provide opportunities for competition; <p>Adopted by decision of the Supervisory Board No. RD-NC-04-6/20.01.2020 mechanism ensuring predictability and sustainability of the budget of the NHIF applicable for 2020 to medicinal products paid in full or in part by the NHIF.</p>			funds for treatment.	<p>indications of medicinal products belonging to international non-proprietary names included in the PLMP – 13 procedures;</p> <p>Reduced prices of 500 medicinal products included in Ann. 1 and 2 of the PLMP and paid by the NHIF in connection with lower prices established by the Council.</p>
eHealth	Establishment of the National Health Information System	Improving quality and efficiency of healthcare by introducing a national health information system and providing patients with real access to information about their own health. Reducing the time for providing healthcare to patients and citizens, improving quality of administrative services in healthcare, and cutting financial costs. Achieving a significant change in the quality of healthcare through the use of new health technologies in eHealth.	March 2017	The project is being implemented on an ongoing basis. The contracts concluded for 8 of the project activities were terminated by mutual agreement for both parties in February 2020. Tender documentation on the project is being prepared.	Contract(s) concluded for the other project activities.	December 2020	BGN 12 million Grants under the OP GG	The National Health Information System has been completed
Reducing direct payments by patients	Improving the payment mechanisms for the medical activities and carrying out effective control over the use of the public resource to finance public health activities.	<p>Optimising the scope of healthcare activities paid by the NHIF budget for the purpose of transferring some of these activities to the out-patient care and expanding the scope of health activities paid for by the budget of the NHIF.</p> <p>Improving the mechanisms for the valuation of medical activities.</p>	2017	<p>Ordinance No. 9/2019 on determining the package of health activities guaranteed by the NHIF budget was adopted (prom. SG, issue 98 of 13 December 2019)</p> <p>Concluded National Framework Contract for 2020-2022, which increased the prices of 251 clinical pathways and 7 clinical procedures, as well as the prices for medical diagnostic activities and specialized out-patient care for primary examination, primary prophylactic examination under the "Mother Healthcare" programme, secondary examination, medical expertise, etc.</p>	Updating the package of health activities guaranteed by the NHIF budget and the conditions under the NFC 2020-2022, if necessary.	2022		<ol style="list-style-type: none"> 1) Updated regulatory acts; 2) Number of CP with medical devices/medical activities included in the payment by NHIF; 3) Increased number of outpatient procedures; 4) Reduced financial burden for patients when paying for medical activities and medical

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		Improving the control mechanisms for accounting and payment of activities through the NHIF budget.	2019	<p>Council of Ministers Decree No. 53/27 March 2019 (effective from 01.04.2019) adopted the Rules of Procedure of the Executive Agency "Medical Supervision", which determines the activity, structure and organisation of work.</p> <p>Law on the amendment to the Law on Medicinal Products in Human Medicine was drafted and it was approved by Council of Ministers Decision No. 7 of January 9, 2020 and submitted for consideration by the National Assembly. It also proposes changes to the Health Insurance Act, which explicitly regulates the obligation for health care providers to provide patients with health care within the compulsory health insurance system without requiring payment / surcharge. It also regulates exhaustively the cases where possibilities for acceptance of payment and additional payment is eligible and are linked to the explicit initiative and the explicit request from the persons.</p>	<p>Ensuring the operation of the Executive Agency for Medical Supervision and Improvement of the Control Mechanisms for the Activities of Healthcare Institutions</p> <p>Adoption of the amendments to the HIA by the National Assembly</p>	<p>2020</p> <p>May 2020</p>		<p>devices outside the value of CP;</p> <p>5) Number of checks with established violations</p>
Address the shortage of health professionals	Creating favourable opportunities for professional development of health professionals in the country	Creating favourable conditions for acquiring a speciality in the health care system.	2017	<p>Ordinance amending and supplementing Ordinance No. 1 of 2015 on the acquirement of a speciality in the healthcare system (promulgated, SG, issue 58 of 27 July 2019)</p> <p>Published on 31.01.2020 draft Ordinance amending Ordinance No. 1 of 2015 on the acquirement of a speciality in the healthcare system</p>	Conducting a public discussion on the draft Ordinance amending Ordinance No. 1 on the acquirement of a speciality in the healthcare system.	April 2020		<p>1/ A draft Ordinance amending and supplementing Ordinance No. 1 has been elaborated in order to improve the conditions for acquiring a speciality in the healthcare system.</p> <p>2/ Increased number of places for students in medical professions with established shortages.</p>
		Preparing proposal for increased admission of students into specialities with established shortage.	2017	Preparing a proposal to the Ministry of Education and Science for increasing the admission of students in the speciality of nurse.				
		Implementation of the project "Specialization in Healthcare". The aim of the project is to financially support the conduct and completion of the training for	November 2016	Implementation of the planned project activities. Monthly fees for theoretical and practical training and scholarships of the participants are paid under the project.	<p>Recruitment of new applications from residents to participate in the project, performing a ranking.</p> <p>Concluding contracts for financing the training to acquire a speciality with new</p>	December 2023	OP HRD – BGN 3.5 million	<p>1. Employed participants, including self-employed in priority sectors of the economy – 190;</p>

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		the acquirement of a speciality by physicians, dental practitioners, nurses and maternity nurses.		Supplementary Agreement No. 2 of 21.01.2020 was signed to amend the indicators from 250 to 273 residents and the budget of the operation from BGN 2,500,000 to BGN 3,500,000. A fourth procedure has been announced for the selection of residents for project funding under the new conditions.	approved candidates for participation in the project. Payment of tuition fees and scholarships.			2. Post-graduate students in the healthcare system – 273; current value – 112 participants who have acquired a qualification (speciality)
		Implementation of the project "Improving the conditions for treatment of emergency". The project will provide support to emergency medical aid staff in acquiring specific knowledge, skills and key competencies.	February 2017	In implementation of the main project activity 6 "Conducting trainings: initial and periodic to the staff of EMAC and the emergency departments" contracts were concluded for the selection of teachers to provide training for emergency medical aid centres and the emergency wards staff and to provide logistics during training. The training of the EMAC personnel has started. As of 01.02.2020, 922 employees from all emergency medical aid centres on the territory of the country successfully completed the training.	Under the project will be announced procedures under the PPA with subject "Purchase of two high-tech dummies" and "Development of specialized software to provide theoretical and practical training of the EMAC staff and the emergency wards".	September 2021	OP HRD – BGN 7 million	1. Number of projects targeting public administrations and public services at national, regional or local level: 1 2. Emergency Medical Aid System Trained Staff: Target value: 6892 Current value: 922.

2.2 Policies to improve the business environment and implement reforms in the public administration

Public Administration

Policy Summary

Bulgaria needs an increase in the productive capacity of its institutions, an optimized institutional infrastructure and more efficient use of the limited resources, in order to ensure high-quality public services. To this end, proposals will be prepared to improve the model of structure of public administration and to regulate “life events” services, and higher quality administrative service delivery standards and user feedback methods will be implemented.

Findings from the National Report on Bulgaria 2020

Policy Response

Improvements in public administration and the eGovernment are not yet sufficiently felt and depend to a large extent on the EU support.

The efforts to improve the quality of administrative services and reduce administrative burdens are ongoing. A final report will be adopted on the implementation of Decision No. 704 of the Council of Ministers of 2018, which introduced a package of over 1400 measures.

The public sector transparency has improved, but the important reforms of the recruitment process have stalled.

Amendments to the regulations introducing higher quality administrative service delivery standards and regulating mandatory user feedback methods were adopted at the beginning of 2020.

Following the abolition of the mandatory centralised stage of competitions for civil servants by the National Assembly, the government will initiate the reintroduction of centralised competitions for employees with no professional experience, as well as a more limited scope of centralised selection stage of the competition procedures.

Table 2.2.1: Measures in the field of administrative reforms, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Public Administration	Improving the quality of policies and regulations by preparing ex ante and ex post impact assessments	<p>The goal is to enhance the capacity of the administration to prepare ex ante and ex post impact assessments, to gain expertise, experience, information and data, which are to be used in the preparation of subsequent assessments.</p> <p>As part of the measure the following project is being implemented: “For better public governance: institutionalizing the impact assessment process in public administration” funded under the OPGG.</p>	January 2020	Contracts concluded with selected contractors under the PPA.	<p>Preparation of 10 comprehensive ex-ante impact assessments.</p> <p>Preparation of 20 ex-post impact assessments.</p>	October 2020	<p>Improved quality of policies and regulations</p> <p>Enhanced capacity of the administration to prepare ex ante and ex post assessments of the impact of draft legislation and policies.</p>	<p>Preparation of comprehensive ex ante impact assessments.</p> <p>Current value: 0 for 2020 Target value: 10 comprehensive ex ante IA.</p> <p>Preparation of comprehensive ex-post impact assessments.</p> <p>Current value: 0 for 2020 Target value: 20 comprehensive ex-post IA</p>
Public Administration	Improving the quality of administrative services	<p>The goal of the measure is to raise the quality standards for administrative services, as well as to introduce a sustainable practice for surveying and measuring the satisfaction of administrative service users.</p> <p>Customer charts of different central and territorial administrations will be prepared, with their own higher standards for service quality.</p> <p>An external objective evaluation is to be made of the provided administrative services, from the perspective of the citizens and the business, by applying “the mystery shopping methodology”.</p> <p>As part of this measure the following project is under implementation: “Better</p>	January 2020	<p>Drawing up 5 Customer Charts of different central and territorial administrations with their own higher standards for service quality.</p> <p>Updating the Methodology for surveying and measuring the satisfaction of users of administrative services.</p> <p>Conducting trainings for applying the feedback methods.</p> <p>Conducting a “mystery shopping” survey in 10 administrations</p>	<p>Updating the general quality of service standards in the Administrative Service Delivery Ordinance.</p> <p>Regulation of the methods of feedback from service users.</p>	January 2021	<p>Increased quality of administrative services.</p> <p>Improved user feedback system.</p>	<p>Development of general quality standards for administrative services</p> <p>Current value: 5 common standards Target value: 15 common standards</p>

1	2	3	4	5	6	7	9	10
		quality of administrative services by introducing higher standards and improving the system for feedback by the users".						
Public Administration	Improving the quality of administrative services	<p>The aim is to reorganise administrative services based on the "life events" principle.</p> <p>The catalogue of life events should be updated, the business processes of 5 of the selected episodes should be re-engineered, and the necessary normative changes should be prepared.</p> <p>To implement the measure, the project "Support for Public Administration Reform", funded by the EC's Structural Reform Support Programme, is being implemented.</p>	January 2020	Contract concluded with the selected contractor of the project	<p>Updating the catalogue of episodes of life.</p> <p>Re-engineering the business processes for 5 selected episodes.</p> <p>Preparation of proposals for the necessary regulatory amendments.</p>	December 2020	Increased quality of administrative services.	<p>Regulated episode of life services</p> <p>Current value: 0 episodes</p> <p>Target value: 5 episodes</p>
Public Administration	Improving the model for structuring of the state administration	<p>The goal is to optimise the model for structuring the state administration set out in the Administration Act.</p> <p>A review of the current model as well as of the deviations from the general principles in Administration Act regulated by special laws will be performed.</p> <p>To implement the measure, the project "Support for Public Administration Reform", funded by the EC's Structural Reform Support Programme, is being implemented.</p>	January 2020	Contract concluded with the selected contractor of the project	<p>Performing an analysis of the current model of structuring of the state administration set out in AA.</p> <p>Drawing up proposals to improve the model.</p> <p>Preparation of proposals for compliance of individual administrative structures with the general model in Administration Act, as well as a mechanism to prevent unjustified deviations from the model.</p>	September 2020	Improved structure of the state administration	An updated model of the structure of the state administration.
Business environment	Improving the quality of administrative services and reducing administrative burdens	<p>The aim is to reduce the administrative and regulatory burden on citizens and businesses by implementing measures to improve the administrative services.</p> <p>Decision 704 of the Council of Ministers of October 2018 was adopted to implement the measure.</p>	January 2020	Adopted Council of Ministers Decree No. 704 of October 2018.	Preparation of a final report on the implementation of the measures.	April 2020	Reduced administrative burden	<p>Reduction of the total administrative services in AA</p> <p>Current value: 2573 services</p> <p>Target value: 2400 services</p>

1	2	3	4	5	6	7	9	10
								<p>Introduction of official collection of information Target value: 50 services</p> <p>Reduction of requested documents by applicants Target Value 50 services.</p>

Policy Summary

In implementation of the project “Regulatory compliance assistance tool for SMEs” funded by the Structural Reform Support Service (SRSS), the Ministry of Economy published bilingual information on its website in a separate section: “Business Guide for SMEs”. It contains more than 120 regulatory regimes broken down according to the life cycle phase of the enterprises. An update and supplement of the core business procedures described in the “Business Guide for SMEs” is to be carried out in 2020.

On 5 September 2019 started the implementation of a project for the preparation of a National Strategy for Small and Medium Enterprises (SMEs) in Bulgaria for the period 2021-2027, funded by the SRSS. Currently, the first two stages of the project have been implemented, including the preparation of a preliminary analysis and consultation of businesses and business organisations. Six priority areas have been identified to address the challenges faced by SMEs and promote competitiveness: Entrepreneurship; Access to markets; Access to finance; Digitalisation and skills; Better regulation; Environment. A National Strategy for Small and Medium Enterprises 2021-2027 is to be developed and approved in 2020.

Public procurement policy aims at raising the effectiveness and efficiency of public spending on procurement and establishing lawful practices, including by improving publicity and transparency, promoting free competition and professionalisation. In this regard, the implementation of activities aimed at e-procurement continues, as well as the implementation of measures to strengthen the administrative capacity and professionalism in the sector (including enhancing e-procurement knowledge and skills). With the development of horizontal and centralised e-government systems in the Republic of Bulgaria and the implementation of a Unified model for requesting, payment and provision of electronic administrative services, the aim is to improve the business environment by enabling centralised provision of high-quality and easily accessible electronic administrative services at Level 3 and Level 4 and implementing the “once only” principle. The expected results of the planned actions to upgrade e-Government systems focus on users – optimising registration and creating account processes, providing one-off authentication to access different resources (single sign-on), reducing the number of required supporting documents, working space for users, broadening personalised information, ensuring secure communication, etc.

Findings from the National Report on Bulgaria 2020	Policy Response
Business environment improvements could stimulate faster technological advancement.	The implementation of a project for the preparation of a National Strategy for Small and Medium Enterprises (SMEs) in Bulgaria for the period 2021-2027, funded under DG “Reforms” Structural Reform Support Programme, has started.
The small and medium-sized enterprises (SMEs) still face many difficulties.	Six priority areas have been identified to address the challenges faced by SMEs and promote competitiveness: Entrepreneurship; Access to markets; Access to finance; Digitalisation and skills; Better regulation; Environment. A National Strategy for Small and Medium Enterprises 2021-2027 is to be developed and approved in 2020. The project envisions a SME analysis identifying obstacles and drivers in each SME policy area to be prepared by the end of April. The analysis will take into account the regional and sectorial change on the basis of which NSSME 2021-2027 will be developed and address economic recovery measures specifically targeting different groups of small and medium-sized enterprises. They will be linked to the access to finance and the areas of digitalisation and skills, business environment.
A circular economy strategy is still lacking.	A Strategy and Action Plan for the transition to a circular economy of the Republic of Bulgaria for the period 2021-2027 is pending.

Despite the significant investments, the country is still lagging behind in the e-government sector.

Upgrading e-Government systems and implementing the Unified Model for Requesting, Payment and Provision of Electronic Administrative Services is under way, which will enable the provision of secure complex administrative services through a single entry point at any time, from any location and through different devices.

The amendment and supplement of the e-Government Act of the end of 2019 strengthened the control functions of the State e-Government Agency. The means of electronic identification and the regime for their recognition were regulated; sending of electronic documents and requesting electronic administrative services through the horizontal system of secure electronic delivery; the obligation to interchange electronic documents between administrative authorities, public officials and public service providers, etc. The changes made to EGA are expected to significantly improve the country in the field of e-government and e-administrative services.

The forthcoming implementation of a national electronic identification scheme, which will provide a uniform and secure mechanism for identifying individuals, is expected to increase the usability of the electronic services provided.

Regulatory changes have not yet produced tangible results in terms of procurement conditions.

The implementation of the activities of a regular or recurring nature under the current National Strategy for Development of the Public Procurement Sector for the period 2014-2020 continues. The development of a draft of a new strategy for the period 2021-2027 has been initiated. It will address all key areas, including issues of strengthening the administrative capacity, professionalisation, standardisation and strategic procurement, further development of centralised procurement, e-procurement and joint procurement (especially at local level), effective cooperation between procurement policy bodies, as well as measures to increase traceability and transparency in the award and execution of public contracts, etc.

Since the beginning of 2020, the mandatory use of CAIS EPP has started according to the timetable adopted by the Council of Ministers. It takes place in two stages. From 1 January 2020, the procurement via the electronic platform is mandatory for central administration bodies and their territorial structures, mayors of large municipalities and some sectorial contracting authorities with significant experience.

Additional trainings are planned in connection with the use of CAIS EPP assigned to different participants in the procurement process, such as public and sectorial contracting authorities, candidates/participants and public procurement contractors. Technical assistance activities continue to be provided to end-users of the system through the Customer Service Centre, publication of guidelines and answers to frequently asked questions, etc.

Table 2.2.1: Measures in the field of the business environment for enhancing the competitiveness of the economy, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Business environment	“Business Guide for SMEs”	Update and supplement the core business procedures described in the “Business Guide for SMEs”.	March 2020	Preparation of technical documentation for public procurement	Preparation of up-to-date information regarding procedures, verification and publication on the website of the Ministry of Economy	2021	The necessary funds for the implementation of the activity (BGN 70,000) have been submitted within the budget of the Ministry of Culture	Number of visits to a website Number of updated procedures; Number of simplified rules described.
Business environment	Developing “National strategy for promotion of SMEs” 2021-2027.	SME analysis and strategy development in the defined priority areas: Entrepreneurship; Access to Markets; Access to finance; Digitalisation and skills; Better regulation; Environment.	2019	The first two stages of the project were implemented, a meeting of the Managing Committee for Project Management was held; six regional seminars were held.	Approval of the analysis for sectorial and regional specialisation of SMEs and analysis of the growing enterprises in Bulgaria. Preparation of a draft National Strategy for the Promotion of SMEs“ 2021-2027.	October 2020	The measure is entirely financed by the SRSS.	Drawing up a survey and analysis; Draft Strategy 2021-2027 prepared.
Business environment	Upgrading the horizontal and central eGovernment systems.	Building on the horizontal and central eGovernment systems to implement the Unified Model for Requesting, Payment and Provision of Electronic Administrative Services for Citizens and Business Actions in the scope of the measure: Action 3: Upgrading the e-Authentication system upgrade (eAuth); Action 4: Upgrading the e-Delivery system; Action 5: Upgrading the e-Payment system; Action 7: Upgrading the Registry Information Exchange System (RegiX); Action 8: Upgrading the Government Services and Information Portal (GSIP, egov.bg). Action 9: Upgrading the eForm System prototype.	2020	The following activities are in progress: Activity 3 Upgrading the e-Authentication system (eAuth) – the project is in the process of being implemented. Contract 70/03.07.2019. The Two-factor authentication module (2FA) is completed, expanding the e-authentication with new capabilities – PIN authentication. Activity 4 Upgrading the e-Delivery system – the project is in the process of selecting a contractor Activity 5 Upgrading the e-Payment system – A Technical Specification has been prepared, the payment functionality is in operation. Activity 7 Upgrade of RegiX – the project is under implementation Contract 22/20.03.2018 Activity 8 Upgrade of egov.bg – the project is under implementation. Contract 146/23.12.2019. Activity 9 – Upgrade of the e-Form System prototype.	To be implemented under the activities: Activity 3 e-Authentication system upgrade (eAuth) - Implementation of electronic identification of individuals by means of eID issued by EU Member State (MS) identification providers - Implementation of electronic identification in System to System Interaction (S2S) - A Single Sign On (SSO) implementation that will enable single-sign-in for users to access resources that require the same security level. - Integration between eAuth and an Identification Service Provider, a module for two-factor identification, integration with the GSIP to provide system-specific information for each user with a “My egov.bg” account - Integration with the AIS for Human Resources Management in the State Administration and CRAS for the purpose of user verification.	2023	The expected effect of improving the business environment is towards offering quality, efficient and easily accessible level 3 and 4 EAS To date, 345 EAS have been implemented, of which 181 for central administration, 21 for district administration and 143 electronic administrative services for municipal administration. 451 e-forms of services and supporting documents	The implementation of the activities will upgrade 6 eGovernment systems: e-Authentication, e-Delivery, e-Payment, Inter-register Exchange (Regix) systems, the single portal egov.bg. Establishment of a full set of e-Forms to each EAS for the different administrations

1	2	3	4	5	6	7	9	10
					<p>Activity 4 – Upgrade of the e-Delivery system</p> <ul style="list-style-type: none"> - Management of the User Access to the e-Delivery System - Integration of the E-service system with the e-authentication system, Active Directory and PKI infrastructure. - Optimising the registration processes and creating user profiles; – registration of EU citizens via the eIDAS node - Expanding the functionality of the System related to the creation of message templates. - Using the System as a transport environment for the exchange of electronic documents between administrations. - Expansion of the existing or development of new features related to storing large volumes of documents, archiving documents after a certain period of time, creating quotas for users related to a quantity of stored documents, maximum unit volume and total volume. - Increasing the security of messages and documents created, exchanged and stored in the System. <p>Activity 5 – Upgrade of the e-Payment system.</p> <ul style="list-style-type: none"> - The system has been extended by offering not only payment via a virtual post terminal to the bank, which serves the individual administration, but also in a more universal way via epay. <p>Action 7 – Upgrade of RegiX – the system will be upgraded by</p> <ul style="list-style-type: none"> - Adding of new adapters to public administration registers with references included - Development of new references/e-administrative services and/or redesign of existing ones - Adding new registries of primary data administrators <p>Activity 8 – Upgrade of egov.bg</p>		<p>have been developed.</p> <p>72 administrative structures have been joined. The possibility of requesting administrative services electronically for 54% of the population to regional administrations and 15% of the population to municipal administrations is provided.</p> <p>In order to enable the provision of Level 3 and Level 4 EAS, it is necessary that all systems of the Unified Model for Requesting, Payment and Provision of Electronic Administrative Services are integrated and perform the business processes for which they are intended.</p> <p>In addition, the e-service system provides an opportunity for secure automatic communication between business and administra-</p>	

1	2	3	4	5	6	7	9	10
					<ul style="list-style-type: none"> - Implementing a centralised system for managing the profiles of citizens, businesses and administrative authorities and structures for access to services. - Revision of the Services Catalogue to meet the requirements of European regulations and directives. - Creating a user workspace and a workspace for administrations. - Development of a functionality for keeping up-to-date the consistency between the GSIP taxonomy (headings and sub-headings) and the services described in the Administrative Register. - Construction of federated portals of central, territorial, regional and municipal organizations in the infrastructure of GSIP. - New templates of administrations' sites – central, second-level, third-level budget spending units, municipal and regional – will be updated or created. <p>Activity 9 – There is currently a prototype of the e-Forms System which is integrated with GSIP, the secure e-Delivery and e-Payment system. There are about 500 e-forms developed. A technical specification with requirements for upgrading the prototype will be prepared and a procedure will be conducted for the selection of the Contractor.</p>		<p>tions and businesses and citizens.</p> <p>RegiX enables the use of data by primary data administrators, which simplifies the procedures and shortens the service delivery process and reduces the administrative burden.</p> <p>2)</p> <p>Activity 3 – BGN 396,000 Grants under the OP GG</p> <p>Activity 4 – BGN 504,000 Grants under the OP GG</p> <p>Activity 5 – BGN 180,000 Grants under the OP GG</p> <p>Activity 7 – BGN 972,000 Grants under the OP GG</p> <p>Activity 8 – BGN 774,000 Grants under the OP GG.</p>	
Procurement	Strategic planning	Drafting of a national strategy for the development of public procurement in the period 2021-2027	January 2020	Gathering of information and views of key stakeholders has been organized as regards the state of public procurement in Bulgaria, the implementation of the current strategy, the main problems and challenges, as well as the priorities, objectives and measures to be included in the new strategy. Received results have been reviewed and analysed by the	It is envisaged that after the preparation of the draft, consultation with stakeholders and public consultation (by publishing it on www.strategy.bg and on the website of the PPA) will be organised, followed by a revision of the document based on received comments and proposals and its submission to the Council of Ministers with a view to the	December 2020		Drafted national strategy for the development of public procurement in the period 2021-2027

1	2	3	4	5	6	7	9	10
				PPA. An initial draft strategy for the period 2021-2027 is under preparation	adoption of the new strategy by the end of December 2020.			
Procurement	Introducing the eProcurement.	Development, implementation and maintenance of a single national electronic web-based platform: CAIS "e-Procurement"; delivery and installed hardware and communication equipment and basic system software (including for the Customer Service Centre); conducting trainings.	January 2020	Stage 1 modules as well as some Stage 2 modules have been developed, adopted and commissioned and, as of 1 January 2020, the use of CEAS EPP is mandatory for certain groups of contracting entities.	The following is envisioned: - development, acceptance and commissioning of the remaining Stage 2 modules; - conducting trainings with different participants in the procurement process; - providing practical assistance to the users of CAIS EPP, including through the established in 2019 Customer Service Centre.	November 2018 (for modules included in Stage 1); December 2020 (for modules included in Stage 2); December 2020 (for conducting trainings)	BGN 6,999,982.00 provided as grants under the OP GG	1/ Number of trainings carried out; 2/ Number of trained persons; 3/ An electronic web-based platform is in place and functioning: CAIS EPP; 4/ Increasing transparency, efficiency and control of the funds spent through public procurement.
Business environment	Strategic document, containing measures for development of fast and ultra-fast connectivity and development of 5G networks	Adoption of measures for ensuring access for the citizens and the business to networks with very high capacity. 5G networks are expected to be substantially faster than the 4G ones – from the current several dozen megabytes to (potentially) 1000 megabytes per second or substantially faster than the average statistical cable Internet connections.	2018	<ul style="list-style-type: none"> - Activities carried out in preparation for updating the National Broadband Infrastructure Plan for Next Generation Access: - A Single Information Point (SIP) platform has been developed under the project "Development of a GIS-based electronic platform "Single Information Point", - With CMD No. 227/10.09.2019 was adopted an Ordinance on data formats and the terms and conditions for granting access to information in the SIP. The Ordinance was prepared in accordance with the requirements of the Electronic Communications Networks and Physical Infrastructure Law. - Information on the provision of broadband on the territory of the country – List of "white and grey areas" has also been prepared and published. The prepared interactive map, as well as detailed information on the methodology used, are available at the already functioning Single Information Point in the section "Broadband" https://sipbg.gov.bg/SIP.Experts/public/eit/bbMapping_bg.htm 	Update of the National Broadband Infrastructure Plan for NGA In the course of the update, a monitoring will be carried out on the planned investments with the aim of ensuring that the Union citizens have access to networks with very high capacity. Visualisation of the available information. Establishing a practice for extensive consultations as regards public investment.	June 2020	Within the established expenditure ceilings	Prepared strategic document

3 Progress on the national targets under the Europe 2020 strategy and UN Sustainable Development Goals (SDGs)

Progress on the implementation of the national targets under the Europe 2020 Strategy

National Target	2013	2014	2015	2016	2017	2018	2019	2020
Employment rate of the population aged 20-64	63.5%	65.1%	67.1%	67.7%	71.3%	72.4%		76%
Employment rate of the population aged 55-64	47.4%	50.0%	53.0%	54.5%	58.2%	60.7%	64.4%	53%
Reducing unemployment rates among youth (aged 15-29)	21.8%	17.7%	14.4%	12.2%	9.9%	8.3%	6.9%	7%
Investments in R&D as % of GDP	0.64%	0.79%	0.95%	0.77%	0.74%	0.76%		1.5%
Share of renewable energy in gross final energy consumption	18.9%	18.1%	18.3%	18.8%	18.7%	20.5%		16%
Increasing energy efficiency	17.48%	13.65%	10.17%	11.58%	8.33%			25%
Share of renewable energy in gross final energy consumption in transport sector	5.8%	5.7%	6.4%	7.2%	7.2%	8.1%		10%
Preventing the increase in the levels of greenhouse gases (GHG) outside the EU ETS by more than 20% by 2020 compared to 2005	-14.4%	-11.8%	-2.4%	-1.5%	-2.2%	3%		20%
Share of early leavers from education and training	12.5%	12.9%	13.4%	13.8%	12.7%	12.7%		11%
Share of population aged 30-34 having completed tertiary education	29.4%	30.9%*	32.1%	33.8%	32.8%	33.7%		36%
Reducing the number of people living in poverty by 260,000 by 2020	1,527,534	1,578,254	1,585,808	1,638,680	1,665,255	1,550,797		-260,000

* – break in time series.

Source: Eurostat and NSI

3.1 National target for employment

Policy measures

The main priorities in the National Action Plan for Employment 2020 are services for job seekers and inactive persons, as well as training of the workforce. The targeted work for the increase of the employability and successful inclusion in the labour market of unemployed people from disadvantaged groups continues. It is envisaged employment of 12,918 unemployed persons under programmes and measures under the Employment Promotion Act with funds from the state budget for 2020 amounting to BGN 73 million. The NEAP is also financed with funds from OP "Human Resources Development". With a view to reducing youth unemployment, activation and labour market inclusion measures will continue to be implemented in 2020, as set out in the National Plan for Implementation of the European Youth Guarantee 2014-2020. In the context of the implementation of the EU Council Recommendation on the integration of the long-term unemployed into the labour market and with the aim of reducing long-term unemployment in 2020, the implementation of the National Framework Agreement between the Ministry of Labour and Social Policy, the Ministry of Education and Science, the Ministry of Health and the National Association of Municipalities in the Republic of Bulgaria for the provision of integrated services to the long-term unemployed continues. Employment Integration Agreements with the long-term unemployed within 18 months of their registration with labour offices shall be signed at the Labour Office Directorates. The implementation of regional employment programmes financed from the state budget for active labour market policy supports the development of the individual areas. The funds for regional programmes are allocated according to the level of unemployment and the number of unemployed in each area. The main objective of the programmes is to increase the employment and reduce the unemployment in the regions. The "Employment" scheme will also continue to be implemented in 2020 to help address regional labour market imbalances and increase the skills and employment of the unemployed and inactive in areas with high unemployment rates.

The vocational education and training policies are focused on improving the access, improving the quality, linking the vocational education and training more closely to the labour market and on the practical realization of graduates and those with acquired profession. The focus is on developing dual training as a priority, as well as on training professionals who are in demand on the labour market but are not willing to train in these professions and specialities and to provide staff for areas that are priorities for the development of the economy at regional level. In implementation of the CMD of 2018, the funds from the state budget are used to refinance the classes in which pupils are trained in specialities with a shortage of labour market specialists and state-protected specialities. CMD No. 1 of 03.01.2020 established the lists of protected specialities of professions and specialities of professions for which there is an expected shortage of professionals in the labour market applicable for the academic year 2020/2021. Since 2019, pupils studying in dual training and pupils studying protected specialities from professions and specialities from professions with a shortage of professionals in the labour market have received scholarships provided through the state budget. The latest changes to the Pre-School and School Education Act (in force since January 2020) also cover the travel expenses for students in dual training, students in specialities with a shortage of labour market specialists and state-protected specialities. The admission plan rules for the 2020/2021 school year give priority to the STEM professions and set targets at regional level to increase the number of VET learners by at least 2 percentage points compared to the 2019/2020 school year.

The implementation of the "green jobs" incentive measure laid down in the Employment Promotion Act is ongoing. This active labour market policy instrument has a twofold effect: on the one hand, it supports the creation of jobs that contribute to environmental protection and, on the other, it provides employment for people who have been out of work for more than 6 months. Additional significant opportunities for generating "green" employment are provided by the investments from Operational Programme Environment 2014-2020, the Financial Mechanism of the European Economic Area and the National Trust Eco Fund in activities contributing to: improving and developing drinking water and waste water infrastructure, efficient management of mineral water deposits, reducing landfill quantities and increasing the amount of recycled/recovered biodegradable waste, prevention and management of flood and landslides risk, improving ambient air quality through measures addressing domestic heating and transport, improving the conservation status of species and habitats, valuing ecosystem services, introducing a system for marine water assessment, monitoring and management, improving the use of resources at municipal level (circular economy), increasing the ability of local communities to reduce emissions and adapt to climate change, energy efficiency of public facilities.

Table 3.1: Measures addressing the NT for Employment, Part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Employment	Facilitating the professional transitions of unemployed and employed persons and providing active support for the employment of unemployed people.	Providing mediator services to find a job. Preparing an individual action plan for each unemployed person with specific actions for inclusion in training and/or employment under programmes and measures, as well as in employment on a non-subsidized vacancy.	January 2019	Elaboration of an individual action plan for each unemployed person up to 1 month from the registration at the labour office with concrete actions supporting the transition from unemployment to employment, according to the individual needs of the persons.	Providing active support to unemployed and employed persons in carrying out professional transitions.	December 2019	BGN 26 million	Number of unemployed persons working on the primary market – 189,000.
	Active labour market policy Execution of NEAP 2018.	Programmes and measures to promote job creation for disadvantaged groups in the labour market.	January 2020	Since the start of the year to 28.02.2019 714 persons were included in employment and 435 persons were involved in training under employment measures and programmes.	Implementation of measures and programmes, included in the plan, funded by the SB.	December 2020	BGN 73 million	12,918 unemployed persons, included in employment and 11,824 unemployed persons included in training.
	Measures for implementation of the National Implementation Plan for the European Youth Guarantee and the measures	Implementing the “Career Start” Programme, measures pursuant to LEP targeted at youth aged up to 29 years incl. Art. 36 (1), Art. 36 (2), Art. 36a, Art. 41, Art. 41a for providing employment to youth under/up to 29 years	January 2019	Since the start of the year until 28.02.2019, 57 jobs were created as a result of the measures.	Implementation of support measures, earmarked for accommodating in the labour market unemployed youth up to 29 years.	December 2019	BGN 5.2 million	Employment of 970 youth
	Measures for support of the implementation of the National Implementation Plan of the European Youth Guarantee and the measures	“Youth employment” operation	2015	Since the start of the project implementation, 12,886 persons have been included in training and 4,885 persons in internships, or a total of 17,771. Some 9,803 persons have successfully completed training and remained in employment with the same employer, while 3,875 persons have successfully completed their internship and remained in employment with the same employer.	“Youth employment” Operation – actions, relating to the operation continued to be implemented.	2023	BGN 102 million	Unemployed persons aged 29 and under – at least 23,205
	Measures for support of the implementation of the National Implementation Plan of the European	“Training and employment for young people” operation	2015	Since the start of the scheme implementation, employment was provided to 23,289 persons, of whom – 575 permanently disabled persons under Component II of the project. Of these 21,552 persons were included in direct employment, while 1,737 persons were included in employment after a completed training.	The implementation of project activities, relating to the operations continues.	2023	BGN 123,854,936	Unemployed participants aged 15 to 29 – 24 700. Unemployed persons with permanent disabilities

1	2	3	4	5	6	7	9	10
	Youth Guarantee and the measures							aged 15 to 29 – 200
	Integration of long-term unemployed and economically inactive people into employment – OPHRD	Operation “Trainings and Employment”	2015	Since the start of the implementation of the scheme, 19,324 persons have been employed, including 8,989 persons with permanent disabilities, under Component II of the project. Of these 17,879 persons were included in direct employment, while 1,445 persons were included in employment after a completed training.	In a process of implementation of project activities.	2023	BGN 201 million Component 1 BGN 81 million Component 2 BGN 70 million	Inactive and unemployed persons aged over 29 years – 7,400. Inactive and unemployed persons with permanent disabilities aged over 29 years – 3,600
	Improving access to the labour market for people with disabilities – implementation under OPHRD 2014-2020	Operation “Support for people with disabilities”	2017	Within Component 1, 5 agreements were concluded with a total value of BGN 7 million. Within Component II, which will build on component 1, 10 new Day Care Centres for persons with disabilities and their families, including persons with multiple disabilities are foreseen.	Implementation of the project activities.	2023	BGN 15.9 million	840 people with disabilities over 18 are expected to be included in the operation.
		“Equal opportunities” operation	2017	13 agreements with a total value of BGN 4,699, 954.89 were concluded.	Implementation of the project activities.	2020	BGN 8 million	Children, including with disabilities – 250; People with disabilities aged over 18 years – 1,200
		Operation “Social enterprises for persons with mental disorders and intellectual disabilities” The goal is to secure resources and funding to organize activities for setting up a secure working environment based on the principle of social enterprises, targeted at persons with mental disorders and intellectual impairments.	2019	The operation was announced for application in February 2020. Deadline for submission of project proposals – 10 April 2020.	Assessment of the submitted project proposals.	2023	BGN 3 million	Inactive or unemployed participants – 200
Promoting investment creating jobs in high-tech sectors and in areas of	Financial incentives to create jobs in enterprises in high added value sectors.	Providing funds for implementation of incentive measures under the IPA, incl. for partial reimbursement of the employer's social security costs for newly created jobs.	January 2018	In the period 01.01-31.12.2019, 31 certificates were issued under the IPA providing for the opening of 2911 new jobs. Investments in certified projects amount to BGN 420.5 million	In the period 1 January 2020 – 31 December 2022 78 IPA projects with a total value of BGN 1,482 million are planned to be certified, providing for the creation of 2,730 new jobs.	2022 2020	1 / Growth of investment and employment in high-tech sectors	1/Employment rate in high added value sectors (change) – 5.5% growth in 2022 as

1	2	3	4	5	6	7	9	10
high unemployment	Issuance of certificates for investment class and priority project under the IPA.			Of all the certified projects, 12 are in high-tech manufacturing and services. Of the total number of projects, 25 are outside Sofia.	In the period 1 January – December 31, 2020, 24 IPA projects with a total value of BGN 456 million are planned to be certified, providing for the creation of 840 new jobs. During the period 2020-2022, incentives are planned to provide 44 of the certified projects with a total investment volume of BGN 855 million, providing for the creation of 1755 new jobs. In 2020, incentives are planned to provide 14 of the certified projects with a total investment volume of BGN 266 million, providing for the creation of 490 new jobs.		tors and in areas of high unemployment; 2/ Proceeds in the budget in the form of taxes and social security and health contributions. 3/ Impact on the revenue side of the budget – effect of the implementation of items 1 and 2; Impact on the expenditure side of the budget – up to the amount of the planned budget under the IPA (up to BGN 9 million).	compared to 2019; 2/ Share of newly created jobs in high added value sectors (as a % of all newly created jobs under IPA certified projects) – 77%.
Applicability of vocational education and training to the labour market	Promoting training in specialities with expected shortages of labour market professionals and training in STEM professions	1. Implementation of the terms under CMD No. 111 of 2018, as amended and supplemented by CMD No. 352 of 2018 and CMD No. 1 of 2020 on stimulating training in State-protected specialities and specialities with an expected shortage of professionals in the labour market through additional funding of classes	2018/2019	The lists under CMD No. 352 of 2018 for the current school year 2019/2020 shall apply The admission plan for 2020/2021 applies the lists set out in CMD No 1 of 2020	Implemented admission plan for the academic year 2020/2021 with priority to specialities with expected shortage of professionals in the labour market and STEM professions	September 2020	State budget	Number of classes with specialities with expected shortage of specialists and number of pupils in STEM professions
	Support for the dual training system	Introducing the dual training system and creating a close link between the education system and the real needs of the labour market. Procedure BG05M20P001-2.014 "Support for the dual training system".	2020	Contract concluded for the implementation of the project between MES and EA OPSSEG.	Key activities: 1. Activities in support of schools providing dual training system 2. Activities in support of the education system 3. Activities in support of the pupils participating in dual training system 4. Activities in support of the Employers 5. Activities in support of the parents.	2023	BGN 24.5 million	Number of first-level secondary education pupils studying in specialities with a shortage of labour market professionals, protected specialities and specialities within the scope of the

1	2	3	4	5	6	7	9	10
								Smart Specialisation Strategy
Lifelong Learning policy	Lifelong Learning policy formation	Development and adoption of operational documents for the implementation of the National Lifelong Learning Strategy 2014-2020 (NLLS)	2020	Developed 5 reports on the implementation of the annual action plans adopted for the period 2014-2018 respectively in implementation of NLLS 6 action plans developed for the period 2014-2019, adopted by the Council of Ministers in implementation of NLLS	Preparation of a report on the implementation of the 2019 Action Plan in implementation of NLLS Preparation of a draft Action Plan for 2020 in implementation of NLLS Adopted by the Council of Ministers Action Plan for 2020 in implementation of NLLS	2020	State budget	Increase of the participation of population aged 25-64 in education and training from 1.7% in 2012 to more than 5% in 2020 – target value
Implementation of the priorities of the European Agenda for Adult Learning	Ensuring the interaction of stakeholders in the adult learning sector and conditions for raising the quality of policy and promoting lifelong learning (LLL)	Defining ways and measures to increase adults' skills as well as developing proposals for developing the sector by 2030. Impact assessment of the adult learning policy conducted in 2014-2020 Formulation of new objectives and measures; recommendations for the next programming period 2021-2027	2020	Established structures united in National Platform "United for Adult Learning" (NPUAL): Coordination Board of NPUAL; National Coordination Group for LLL (NCGLLL); Regional coordination groups for LLL; National network of adult education and training institutions and organisations Developed Report on the state of the adult learning sector in 2018; A national consultation process was conducted with more than 2000 representatives of different stakeholders and developed report with conclusions and recommendations.	Update of the content of the "Methodological Manual for Monitoring and Evaluation of Adult Learning Policy" Developing an Impact Assessment of the Adult Learning Policy in 2014-2020 Conducting national days for LLL in 2020 and 2021	2021	Project No. 614188-EPP-1-2019-1-BG-EPPKA3-AL-AGENDA "National coordinators implementing the European Agenda for Adult Learning" Total amount of the financial contribution: EUR 222,490 (of which: 55,622.50 – national co-financing and 166,667.50 – EC) Programme Erasmus+.	Increase of the participation of the population aged 25-64 in education and training from 1.7% in 2012 to more than 5% in 2020 One updated methodological guide One impact assessments for the LLL policy 300 participants in the National days for LLL.
	Increasing the professional competence of stakeholders in the adult learning sector	National support for the creation and publication of resources under the content headings of the Electronic Platform for Adult Learning in Europe – EPALE	2020	<ul style="list-style-type: none"> – Two seminars on good practice in adult learning organised and conducted by EPALE's National Support Unit (NSU); – Implemented Work Programme in 2019 of EPALE NSU on indicators approved for 2019-2020, including interim report approved 	<ul style="list-style-type: none"> – Reaching the total number of EPALE publications from Bulgaria up to at least 200, including resources, calendar messages, blog posts and news; – Four Good practice seminars for adult learning 	2020	Project No. 604378-EPP-1-2018-1-BG-EPPKA2-EPALE-NSS ,EPALE National Support Units (NSU)" in implementation	Increase of the participation of population aged 25-64 in education and training from 1.7% in 2012 to more than 5% in 2020 – target value

1	2	3	4	5	6	7	9	10
				<p>by the Minister of Education and Science sent to the EC;</p> <ul style="list-style-type: none"> - Upgraded with 646 users National contact network "BG-EPALE"; - Total number of EPALE publications from Bulgaria: 195, including 49 resources, 33 messages in the calendar, 46 blog posts and 67 news; - Profile created of the EPALE ambassador and nominated 49 ambassadors accordingly; <p>12 monthly newsletters (January-December) of EPALE were developed and published, including on the website of the National Adult Learning Coordinator.</p>	<ul style="list-style-type: none"> - One conference at European level held jointly with other national EPALE support units 		<p>of Agreement No. 2018 – 2315 / 001-001 between MES and EAEAC to the EC</p> <p>Total amount of the financial contribution: EUR 246 thousand (of which: 49.2 thousand – national co-financing and 196.8 thousand – by the EC).</p>	<p>Current Values: for 2016: 2.2% for 2017: 2.3% for 2018: 2.5% for 2019 – 2.0 %</p> <p>at least 200 EPALE publications from Bulgaria</p> <p>Four Good practice seminars for adult learning</p> <p>One conference at European level.</p>

3.2 National target for R&D

Policy measures

The strategic objective of the Innovation Strategy for Smart Specialisation is by 2020. Bulgaria to move from the "modest innovators" group to the "moderate innovators" group. The progress is being monitored through the European Innovation Scoreboard, which covers the innovation performance of EU countries on the basis of 27 indicators.

According to the 2019 European Innovation Scoreboard, Bulgaria is still in the "modest innovators" group, despite an improvement in the country's performance since 2012. The Summary Innovation Index in Bulgaria in 2018 equals 48.7 compared to the EU's in 2011. The country fails to reach 50% of the EU's average innovation performance, which would make it a moderate innovator.

According to the 2019 European Innovation Scoreboard, Bulgaria lags behind the least performing moderate innovators Croatia and Poland in some innovation dimensions, as well as when compared to the minimum values from all moderate innovators. However, in 7 of the innovation dimensions, the country scores better than the minimum of moderate innovators. In some dimensions, Bulgaria scores higher than Croatia and Poland, while in terms of employment impact it performs better than the EU average. This proves that the country has the potential to become a "moderate innovator". Improving the achievements in the various innovation dimensions can contribute to Bulgaria's transition from the modest to the moderate innovators.

The innovative dimensions where the country best performs are employment (above the EU average²⁸) and intellectual property. The indicators that have values well above the EU average are employment in fast-growing companies from innovative sectors, design and trademark applications. According to the 2019 report, the lowest performance in Bulgaria recorded the innovative dimensions "financing" and "support", "research systems" and "innovators". The results on "public spending on R&D", "most cited publications" and "lifelong learning" are the lowest.

According to NSI data in 2018, R&D expenditure was BGN 828.9 million, which is 9% more than in the previous year. The R&D intensity (measured as percentage of R&D expenditure of GDP) is also increasing compared to the previous year, from 0.74% in 2017 to 0.76% in 2018. The increase in total R&D expenditure in 2018 compared to the previous year was mostly due to the "Enterprise" sector, where R&D expenditure increased by BGN 62 million, or 11.6%. The "Enterprise" sector is the largest of the four institutional R&D sectors, accounting for 71.9% of total R&D expenditure. The next is the "State government" sector, whose scientific institutes and organisations account for 22.1% of total R&D spending. The research costs incurred by higher education and university hospitals amount to 5.4% and by non-commercial organisations to 0.6% of total R&D expenditure. The R&D is financed from the state budget, business, other national sources and abroad. In 2018, the largest share of R&D funds coming from the "Enterprise" sector was 43.1%. They increase compared to the previous 2017 by 8.8% (from BGN 328.5 million to BGN 357.5 million). Compared to 2017, the funds from foreign sources for implementation of R&D increased by 12.1% (from BGN 244.7 million to BGN 274.3 million).

In connection with the preparation of the new programming period and in implementation of the Action Plan for the implementation of the Innovation Strategy for Smart Specialization 2014-2020, in June 2019 a public procurement was announced under the Public Procurement Act with subject: "Interim evaluation of the implementation of ISSS 2014-2020."

In October 2019, a contract was concluded with the contractor Global Metrics EOOD for a period of 5 months (from October 11th 2019 to March 11th 2020) for carrying out an interim evaluation of ISSS for the period 2015-2018 for a total amount of BGN 45,943.00 without VAT.

The interim evaluation included 5 activities, including 1. Assessment of the progress on the strategic objective and operational objectives of ISSS. 2. Assessment of the effectiveness and efficiency of financial assistance by region, by thematic area and by instrument. 3. Assessment of the management and monitoring system of ISSS. 4. Assessment of developments and changes in needs. Recommendations in relation to the programming of the next programming period and 5. Presentation of a summary report on the interim evaluation of the implementation of ISSS with conclusions and recommendations.

Pursuant to the contract, the Contractor Global Metrics EOOD performed the evaluation and the reports on all activities were submitted in due time to the Ministry of Economy.

The National Innovation Fund, funded from the state budget, promotes research and development to increase the competitiveness of enterprises. The direct objective of the Fund shall be to encourage the implementation of research and development projects initiated and implemented in enterprises with the aim of developing new or improved products, processes or services aimed at enhancing the economic efficiency, increasing the innovation potential and technological level of enterprises, increasing private investment for them, and increasing the dynamism of innovative processes. The Fund shall encourage the development of innovation by co-financing the implementation of research and development projects.

In 2019, the activities of the NIF monitored the contracts of the 9th Competition Session of the NIF and launched the 10th Session.

The implementation of measures to improve the pro-innovation infrastructure and promote innovation in enterprises through funds from Operational Programme "Innovation and Competitiveness" 2014-2020 (OPIC) continues. In 2020, support will be provided under two OPIC procedures aimed at developing the innovation infrastructure and improving the science-business links, as well as two procedures aimed at promoting innovation and digitization in enterprises. The estimated amount of support under these procedures is nearly BGN 331.3 million.

In 2020, an update of the measures from the Operational plan for implementing the first stage of the National strategy for the development of scientific research in the Republic of Bulgaria 2017-2030 will be proposed in view of the new Action Plan for the implementation of the European Research Area and a Roadmap for integration in the European Research Area and expanding international research cooperation. As part of these measures, work will be carried out on a new Research and Innovation Act to address the urgent need to strengthen the collaboration between the research organisations, higher education institutions and business, and to create a framework for the development and sustainability of established CEs and CCs.

The creation of Centres of Excellence (CE) and Centres of Competence (CC) continues and a procedure is to be launched, aimed at achieving a synergy with the European Programme for Research and Innovation- Horizon 2020.

The delayed construction of scientific infrastructure started in the period as a result of the targeted funding of the sites in the National Roadmap for Scientific Infrastructure. At the same time, the international evaluation of the roadmap and the inclusion of the emerging CEs and CCs in it has been carried out in order to achieve synergies and sustainability of investments and complementarity of measures. The updated roadmap will also include new strategic projects highly appreciated by independent foreign experts and with the potential to contribute to the internationalisation of the national research system and increase its competitiveness.

In 2020 The Research Fund will continue with competitions to support basic research, participation in international and European networks and career development. The main focus of the activity will be investments in attracting established and promising internationally recognised researchers under the "VIHREN" and "Petar Beron and NIE" programmes that are implemented by RF.

In 2020, the implementation of the approved National scientific programmes for tackling social challenges for the period 2018-2022 continues.

A new Agency for Research and Innovation will be established in 2020 to design and implement multi-annual research funding programmes.

Measures to build sustainable and effective partnerships between research organisations, higher education institutions and businesses for developing and orienting the R&D towards marketable developments, utility models and patents will be supported.

A national open science portal and repository and communication strategy to promote the research results are being developed, as well as a national plan for open towards the society and the economy science.

A Review of the Public Spending on Science, Technology and Innovation will be launched in 2020 with the assistance of the World Bank.

During the period, a Research and Innovation Act will be developed to modernize the structure and organisation of financing of fundamental, applied research and innovation in the country.

Table 3.2: Table of measures addressing the NT for R&D, Part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Innovative infrastructure	Development of Innovative infrastructure.	Support for creation/development of regional innovative centres. Creation and development of technological park "Sofia Tech Park".	2014	Implementation of phase II of the project for the construction of Sofia Tech Park with a value of BGN 12.3 million. Announced procedure "Establishment and development of Regional Innovation Centres (RIC)" with grants amounting to BGN 115,646,637.81 (EUR 59,129,187).	Providing support for the upgrade and development of science and technology park "Sofia Tech Park" in the amount of BGN 39.6 million; Assessment of the submitted project proposals under the procedure "Establishment and development of Regional Innovation Centres (RIC)", conclusion of contracts with the approved applicants and implementation of projects.	2023	For the period 2014-2020, grant aid in the amount of BGN 161.9 million will be provided under OPIC.	1/ Share of innovative enterprises (% of the total number) – reference value (2012) – 27.4, target value (2023) – 30.4. 2016 – 27.2 2/ Innovation expenditure not resulting from R & D (% of turnover) – reference value (2012) – 0.49, target value (2023) – 0.63. 2016 – 0.47
	Promoting innovations in enterprises	Support for developing and implementing innovations in the enterprises; Developing cooperation between the enterprises and the scientific community; Funding projects for updating and optimizing technologies in the enterprises; Deployment of new ICT-based services; Support for existing and newly created clusters, including innovation clusters.	2012	Under the procedure "Support for the development of innovations by start-ups", 3 contracts with a total grant value of BGN 1.28 million are in process of implementation and 75 grant contracts worth BGN 26.37 million have been successfully completed. Under procedure "Cluster Development in Bulgaria" in the process of implementation are 2 contracts with a total grant value of BGN 0.547 million, and 25 contracts with a total grant value of BGN 13.88 million have been successfully completed. Under the procedure "Development of product and production innovations" 131 contracts with a grant amount of BGN 59.30 million are in process of implementation and 13 contracts have been successfully completed with the amount of funds paid of BGN 4.71 million. In February 2020, the evaluation of project proposals under the procedure "Development of innovative clusters" was completed with a total grant amount of BGN 29,924,199 (EUR 15,300,000). As of 31.03.2020 under procedure "Improvement of the production capacity of SMEs" 323 contracts were concluded with a total grant amount of BGN 138,799 million. A procedure "Stimulating the introduction of innovations in enterprises" with a total grant	Announcing the procedure "Digitization of SMEs" with a budget of BGN 58.67 million, Evaluation of project proposals under the procedure "Stimulating the introduction of innovations in enterprises" with a budget of BGN 117.35 million; Concluding contracts under the procedure "Development of innovative clusters" with a budget of BGN 16.45 million Implementation of concluded contracts.	2023	For the period 2014-2020, GFA in the amount of BGN 1.066 billion will be provided under OPIC	

				amount of BGN 117,349,800 (EUR 60,000,000) is open for application.				
Support for innovation and implementation activities	Co-financing of the implementation of research and development projects under the National Innovation Fund	The direct objective of the Fund shall be to encourage the implementation of research and development projects initiated and implemented in enterprises with the aim of developing new or improved products, processes or services aimed at enhancing the economic efficiency, increasing the innovation potential and technological level of enterprises, increasing private investment for them, and increasing the dynamism of innovative processes.	June 2019	The 10th Competition Session of the NIF opened on 26.06.2019 and in November 2019 22 grant contracts were signed with the beneficiaries within the announced session amounting to BGN 5,541,322.80. The classified project proposals fall within the thematic areas of the Innovation Strategy for Smart Specialisation. 12 project proposals fall under the thematic area "Informatics and information and communication technologies" and 9 under the thematic area "Mechatronics and clean technologies". The remaining projects are in the thematic areas "Industry for Healthy Life and Biotechnology" and "New Technologies in Creative and Recreation Industries". In 2019, 23 contracts of the 9th competition session of the NIF were also under implementation and monitoring and the agreed grant amounted to BGN 5,231,374.45.	22 contracts are under implementation and monitoring in 2020 Announcing the 11th NIF Competition Session.	December 2020	The necessary funds for the implementation of the activity of the 10th Competition Session is (BGN 5,541,322.80) within the budget of the Ministry of Economy	Number of contracts concluded Number of contracts executed
Improving the research infrastructure	Enhancing the capacity of scientific organizations and the transfer of knowledge to the economy and society.	Implementation of the National Road Map for Scientific Infrastructure and complementing new scientific complexes of regional and European importance.	December 2019	The National Strategy for the Development of Scientific Research in the Republic of Bulgaria 2017 – 2030 was adopted by a decision of the 44th National Assembly of 07.06.2017. A revised National Roadmap for Scientific Infrastructure was adopted by CoM Decision No. 354/29.06.2017. Decree No 306/05.12.2019.	Funded for construction and operation: 14 infrastructures in 2018/2019 – BGN 10.7 million 16 infrastructures funded in 2019/2020 – BGN 22.5 million Membership contributions for participation in European scientific infrastructures – BGN 9.3 million/year Implementation of the second stage of the funded sites by the NRMSI and its reporting. Independent international evaluation of project proposals for updating the NRMSI.	December 2022	Development of a modern scientific infrastructure 2020 – BGN 22.5 million	Number of supported scientific infrastructures; Number of participations in pan-European infrastructures.
	Developing a network of centres of excellence and centres of competence and development of excellent and market-oriented scientific research	A project under the OPSESG with the following objectives is in process of implementation: Establishment and development of centres of excellence Establishment and development of centres of competence Support for Bulgarian scientific organisations with approved projects under the Horizon 2020 Programme – WIDE-SPREAD-Teaming, phase 2	2018	1. Implementation of 4 projects under procedure BG05M2OP001-1.001 "Establishment and Development of Centres of Excellence" 2. Implementation of 10 projects under procedure BG05M2OP001-1.002 "Establishment and Development of Centres of Competence" The budget of the contracts under the two procedures is BGN 371,055,796.35. At this stage, the financial implementation of the projects for the CE and CC is 17%. All project management teams have been appointed.	It is expected that in 2020, which is the third year of the implementation of the projects under the procedures for construction of the CEs and CCs, 40% of their financial implementation will be achieved, or BGN 148,422,318 out of the total agreed BGN 371,055,796.35. The financial objective for 2020 will be achieved through the implementation of the following activities: - Conclusion of all construction contracts for the remaining BGN 14,566,410	December 2023	Improving the quality and capacity of scientific-technological infrastructure and development of excellent and market-oriented scientific research;	Number of new researchers in supported sites Number of researchers working in improved infrastructures for scientific research Newly constructed infrastructural complexes in the CE and CC

				<p>The equipment intended for purchase and upgrading of projects has been delivered and upgraded.</p> <p>The total amount of funds foreseen for construction under the two procedures is BGN 40,800,909 and at this point construction contracts totalling BGN 4,106,399 (10%) have been completed and contracts worth BGN 11,355,447 are in process of implementation (28%). The announced procedures for awarding construction works for a total value of BGN 10,771,851 (26%).</p> <p>3. Implementation of 2 projects under a procedure for Supplementary support for Bulgarian scientific organisations with approved projects under Horizon 2020 approved criteria by the MC) worth BGN 60 million under OPSESG</p>	<ul style="list-style-type: none"> - The supply of research equipment continues, the purchase of which is linked to the completed construction activities. - In 2020, the new and upgraded infrastructure will be put into operation. To this end, it will start with the appointment of research teams intended to carry out research and development activities within the centres, as described in the projects "Strategic R&D development Agenda". <p>2020 is the first of the implementation years of the two projects financed under the procedure for Support for Bulgarian scientific organisations with approved projects under the Horizon 2020 Programme – WIDE-SPREAD-Teaming, phase 2. It will start with the implementation of the construction activities for the establishment of the two research centres: Centre for Plant Systemic Biology and Biotechnology (CPSBB) in Plovdiv and the CE "Major Data for Intelligent Society" in Sofia</p>		<p>Enhancing the participation of Bulgarian researchers and scientific organisations in international cooperation</p> <p>Joint research projects developed between the centres (CE and CC) and the businesses</p> <p>Researchers trained by means of international cooperation</p> <p>Scientific research organisations and universities, participating in international technological initiatives and scientific research networks</p>	
Development of the human potential for scientific research, promotion of scientific and entrepreneurship education and interdisciplinary skills	Enhancing the capacity of scientific organisations and higher education institutions in relation to the development of the human research potential	<p>Implementation of the national programme "Young scholars and post-doctoral students"</p> <p>Implementation of the National Programme "Petar Beron and US"</p> <p>Implementation of the National programme VIHREN</p>	2019	<p>CoM Decision 577/17.08.2018</p> <p>CoM Decision 658/14.09.2018</p> <p>CMD 102/02.05.2019</p>	<p>Implementation of competitive procedures in higher education institutions and scientific organisations to employ young scholars and post-doctoral graduates with competitive remuneration.</p> <p>Implementation of competitive procedures of the SRF to finance the programmes "Petar Beron and US" and VIHREN</p>	December 2020	<p>Reproduction of the human potential in science and acquisition of new skills</p> <p>2020 – BGN 7.5 million</p>	<p>Number of newly appointed young scholars and post-graduate scholars</p> <p>Number of projects in process of implementation</p>
Science for the benefit of society and economy	Tackling important social challenges by consolidating the scientific capacity and the concentration of resources	Implementation of National Scientific Programmes	2019	<p>CoM Decision 577/17.08.2018</p> <p>CoM Decision 658/14.09.2018</p>	Implementation of the first stage of NSP in areas such as low-carbon energy, healthy food and bio technologies, electronic health care, cultural-historic heritage, environment and other.	December 2022	2020 – BGN 10,128 million	Number of accomplished scientific tasks
	Communication strategy and a national plan for sci-	Promoting scientific achievements by means of: A plan for the construction of a national	2019	<p>In process of development</p> <p>A national open science portal is due to be launched in April 2020. Training sessions are</p>	<p>Implementation of communication activities</p> <p>Setting up a national open science portal</p>	December 2021	Increased popularity of sci-	<p>Number of events;</p> <p>Number of open-access articles</p>

	ence, open to society and the economy	portal and open science repository is being developed.		planned for the use of the centralised repository to the portal for storing posts of authors from NSAs and HEIs.			entific activities; BGN 1.57 million	
Development of the national potential for establishing a sustainable link between the science and business as a basis for developing a knowledge-based economy	Modernisation of the structure and management of the funding of fundamental and applied research	Restructuring the funding model for fundamental and applied research, incl. the establishment of a new Agency for encouraging scientific research	2019	Prepared concept for amendments to LPSR	Approval of concept; preparation of LAS of LPSR	June 2020	Improving the model of management, funding, assessment and reporting of the results achieved	New structure, established by law

3.3 National targets under the “Climate-energy” package

Bulgaria supports the long-term objective of reaching climate neutrality at EU level by 2050. The environmental quality is indisputably important, which is why the country joined the Leaders' Conclusions on Climate Change of 12 December 2019. Regarding the 2030 targets for reducing greenhouse gas emissions to at least 50%, aiming at 55% below the 1990 levels, Bulgaria's increase above the 40% already accepted is an absolute red line. As a Member State with low GDP and no specific technologies in a pilot phase raising the intermediate target will have a serious negative impact for Bulgaria, not only in economic terms, given the need for drastic investment, but also in social terms.

An Integrated Energy and Climate Plan of the Republic of Bulgaria 2021-2030 was adopted in early 2020. The document adopts national general and specific targets till 2030 in the areas of decarbonisation (emissions and energy from renewable sources), energy efficiency, energy security, the internal energy market, research, innovation and competitiveness. The plan contains specific policies and measures to achieve objectives valid under the national climate and energy targets under the Europe 2020 strategy. The national decarbonisation targets set out in the INPEC are as follows:

- Reaching a share of renewable energy in gross final energy consumption of energy of 27,09%;
- Achieving a 27,89% reduction in primary energy consumption and a 31,67% reduction in final energy consumption by 2030 compared to the reference scenario PRIMES 2007;
- A 0% increase in GHG emissions by 2030 compared to 2005 for sectors outside EU ETS.

✓ National target

A 16% share of renewable energy in gross final energy consumption of energy by 2020

The national target of 16% share of renewable energy in gross final energy consumption by 2020 has been accomplished. In the early 2020 Bulgaria submitted to the EC a Fifth National Report on Bulgaria's progress in the promotion and use of energy from renewable sources, accounting for a renewable energy share of 20.49% of the country's gross final energy consumption. The progress has been made due to higher energy consumption from RS in the heating and cooling energy and electricity sectors. The transport sector is slightly lagging behind the interim sectorial targets (8.4% in 2017 and 9.4% in 2018), resulting from the new requirements set to limit the consumption of conventional biofuels to 7% and the established in 2018 consumption of biofuels not meeting the sustainability criteria. Taking into account the requirements of Directive 2009/28/EC on the promotion of the use of energy from renewable sources (Directive 2009/28/EC), biofuels and bioliquids that do not meet the sustainability criteria cannot be counted towards meeting the targets for the share of energy from renewable sources, overall and by sector. In 2018, 11.25 ktoe of advanced biofuels were consumed, corresponding to 0.33% of the final energy consumption in the transport sector (3,372.2 ktoe).

✓ National target

Increasing the energy efficiency by 25% by 2020

From 2011 to 2018 Bulgaria is experiencing a decrease in the final energy intensity due to changes in both the economic structure and the policy and energy efficiency measures implemented in all economic sectors. According to Eurostat data, the final energy intensity of Bulgaria's gross domestic product decreased by 16% in 2018 compared to 2011.

The contribution of all obliged persons, as well as the implementation of energy-saving measures in all sectors, saved 6,167 GWh of energy for the period 2014-2018, thereby achieving 74.1% of the national target for the period 2014-2020 (8,325 GWh).

Achieving the energy efficiency targets is strategically linked to the renovation of the building stock. In this regard, the investments in measures to improve energy efficiency in the residential sector, as well as in administrative buildings of the state and municipal administration, financed under Operational Programme "Regions in Growth" 2014-2020, continue.



National target 3

Preventing the increase in the levels of greenhouse gases (GHG) outside the EU ETS by more than 20% by 2020 compared to 2005

To reduce the greenhouse gas emissions outside the EU Emissions Trading System, an ASA of the Climate Change Mitigation Act has been adopted. The law introduces the requirements of European legislation on the inclusion of greenhouse gas emissions and removals from land use, land use change and forestry in the 2030 climate and energy framework, on mandatory annual greenhouse gas emission reductions for Member States in the period 2021-2030, contributing to climate activities to meet the commitments made under the Paris Agreement and to enhance cost-effective emission reductions and low-carbon investments.

Table 3.3: Measures addressing the “Climate-energy” NT, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Utilization of energy from renewable sources	ASA to the Renewable Energy Sources Act	Transposition of the requirements of Directive (EU) 2018/2001 on the promotion of the use of energy from renewable sources	2020	Inter-agency working group set up	Prepared bill	2021	No funding needed	Prepared bill
Improving EE	Improving EE of enterprises through ESIF.	Providing support to investment in energy saving technologies and energy production from RS and construction works of production facilities.	2012	4 contracts are in process of implementation under the procedure “Energy Efficiency for SMEs”, with grant aid of BGN 4,375 million, while 422 contracts with grant aid of BGN 303.74 million have been successfully finalized. Under the procedure “Improving energy efficiency in large enterprises” 34 contracts are in process of implementation, with grants amounting to BGN 61,506 million and 28 contracts have ended with disbursed funds amounting to BGN 47.16 million.	Implementation of concluded contracts.	2023	For the period 2014-2020, under OPIC GFA of BGN 466 million will be provided.	Energy intensity of the economy (change) – reference value – 0.471 (2012) tonnes of oil equivalent per 1,000 EUR GDP (2010 = 100) and 0.449 (2014), target value (2023) – 0.423. 2017 – 0.425 2018 – 0.414
	Auditing and certification of public service buildings with a total floor area of over 250 m ²	Performing energy audits and certification of all public service buildings in operation with a total area exceeding 250 m ² .	2016	A certain number of buildings have been audited	Performing energy audits and certification of all public service buildings in operation with a total floor area exceeding 250 m ² .	2020	Improving EE.	Audited and certified public service buildings with a total floor area exceeding 250 m ²
	Measures increasing energy efficiency and reducing harmful emissions into the atmosphere	Integrated Urban Transport: Building Transport Infrastructure. Delivery of rolling stock. Developing new route lines. Promoting alternative forms of transport. Implementing EE measures in the building stock – residential buildings, administrative buildings of the state and municipal administration and student dormitories.	2015	Open procedures for provision of GFA under PA 1 “Sustainable and Integrated Urban Development” – for projects for integrated urban transport and for implementation of EE measures in residential and administrative buildings and in student dormitories. Under PA 1, 16 grant contracts were concluded for improving the urban transport systems totalling BGN 259 million. Under PA 1, 40 grant contracts for EE in residential and administrative buildings totalling BGN 71.5 million are concluded, while at present 16 contracts have been finalized worth BGN 27.5 million. Under PA 2 “Support for energy efficiency in support centres in the peripheral regions” 200	Implementation of projects under the OPRG 2014-2020 within PA 1 “Sustainable and Integrated Urban Development” – for integrated urban transport and EE measures in a building stock. Implementation of projects under the OPRG 2014-2020 within PA 2 “Support for energy efficiency in support centres in the peripheral regions” – for projects for implementing EE measures in a building stock.	2023	OPRG 2014-2020 – BGN 279.8 million for urban transport; OPRG 2014-2020 – BGN 661 million for EE in a building stock.	1/ Reduction of the quantity of fine particles in cities (reference value 1.79 µg/m ³ , target value 1.57 µg/m ³ ; 2/ Urban transport: expected annual decrease of GHG – target value of 2,972.87 tonnes of CO ₂ eq.;

				grant contracts for EE in residential buildings are concluded totalling BGN 185 million. A total of 142 grant contracts amounting to BGN 116.2 million were finalized.				current value – 190 tonnes of CO2 eq. 3/ Number of households with improved energy consumption classification – 9,114, achieved so far 4,515; 4/ Decrease of annual primary consumption of public buildings – 87,993,780 kWh/year , achieved so far 66,030,173.30 kWh/y.
Reducing greenhouse gas emissions	Effective implementation of European policy on climate change.	Conducting of and participation in negotiations at European level concerning the functioning of the European Union Emissions Trading Scheme EU ETS and implementation of EU ETS. Investment in actions for reducing greenhouse gas emissions in non – EU ETS sectors.	2013	Participation of Bulgaria in the negotiation process at European level on the adoption of the following legislative proposals: Regulation 2019/631 on setting CO2 emission performance standards for new passenger cars and new light commercial vehicles and repealing Regulations 443/2009 and 510/2011; Regulation 2019/1242 on setting CO2 emission performance standards for new heavy duty vehicles and amending Regulations 595/2009 and 2018/956 and Directive 96/53/EC. Adopted ASA of the Climate Change Mitigation Act to ensure the implementation of Regulation (EU) 2017/2392, Regulation (EU) 2018/841, Regulation (EU) 2018/842 and implementing the requirements of Directive (EU) 2018/410. Participation of Bulgaria in the preparation of the EU for UNFCCC meetings (Madrid, Spain, 2-13 December 2019) – COP25. Conclusions of the EU Council with the EU position on COP25 have been adopted, in particular: the finalisation of the rules on voluntary cooperation under Article 6 of the Paris Agreement, the completion of the second review of the Warsaw International Loss and Damage Mechanism (WIM) and progress on the arrangements under the Enhanced Transparency Framework.	Adoption of the ASA of the Climate Change Mitigation Act to ensure the implementation of Regulation (EU) 2017/2392, Regulation (EU) 2018/841, Regulation (EU) 2018/842 and implementing the requirements of Directive (EU) 2018/410. Participation of Bulgaria in the negotiation process at European level on the adoption of the EC proposal for a Climate Law. Launching a project under the Environment Protection and Climate Change Programme of the European Economic Area Financial Mechanism 2014-2021 (EPCC) for the implementation of innovative measures to reduce the impact and adapt to climate change in Bulgarian municipalities. Call launched under the EPCC programme to gather project proposals for the application of technologies and the implementation of pilot projects for the deployment of climate change mitigation and adaptation technologies. Call for proposals for conducting educational campaigns on climate change in schools launched under the EPCC programme.	2020	Saved greenhouse gas emissions as a result of CIP projects.	1/ Implemented projects under CIP and CMPP; 2/ Adopted legislative acts.

			<p>The proceeds from EU ETS's tender sales shall finance the National Trust Eco Fund's (NTEF) Climate Investment Programme (CIP), with the following results:</p> <p>Implemented measures to reduce energy consumption in 105 sites, including: 38 schools, 20 day nurseries and kindergartens, 15 administrative buildings, 8 community centres, 6 public buildings, 5 universities, 7 health services, 3 street lightening and 3 municipal hospitals, with saved greenhouse gas emissions of 762,211 t CO2 eq.</p> <p>23 electric and 7 hybrid vehicles purchased, as well as 3 pure electric vehicles, category L7e with additional attached inventory. The saved greenhouse gas emissions amount to 3,540 t CO2 eq.</p> <p>Four "soft" measures projects under the NTEF "Climate Micro Projects" (MCP) programme have been implemented:</p> <ul style="list-style-type: none"> • Preparation of a National Communication to the UNFCCC; • Estimated total energy balance of the Republic of Bulgaria for the period 2021-2030 and with a horizon by 2050; • Adapting forests in a south-western state-owned enterprise to climate change; • Increasing the energy efficiency of internal lighting in the administrative building of the Ministry of Finance. 	<p>Establishment of an NTEF programme to finance new opportunities for the sustainable use of mineral waters for the recovery of the thermal energy of mineral waters and, as a result, direct or indirect reduction of greenhouse gas emissions.</p>			
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3.4 National target for education

National target:

11% share of early leavers from education and training by 2020

For 2018, the share of early school leavers from education and trainings remained at the level of 2017 – 12.7%, i.e. no progress was made in 2018. In 2018, there is a tendency for the presence of differences in the values of ESL rates by level 2 statistical regions.

The implementation of the Action Plan for the period 2018-2020 for implementation of the Strategy for reducing the share of early school leavers (2013-2020) will be completed in 2020. The measures set out therein relate to the coordination of the efforts of the institutions according to the specifics of the environment in the school, the settlement, the municipality. The measures to prevent school drop-outs, including the introduction of compulsory pre-school education for children from the age of 4, the Mechanism for Joint Work of the Institutions on the Coverage and Inclusion in the Educational System of Children and Pupils at Compulsory Preschool and School Age, and other measures to motivate children and pupils to study and successfully integrate them into education, are important highlights of the Plan. The support for activities under the Mechanism is foreseen to continue sustainably through the 2020 National Development Programme for Education “Together for Every Child”. The prevention of school drop-out is also implemented through activities of interest funded by the state budget, as well as through the implementation of the activities under OP SESG projects “Active inclusion in the pre-school education system”, “Support for success”, “Education for tomorrow”, etc. The effectiveness of pre-school and school education policies in reducing early school leaving rates, acquiring key competences and motivating learning, personal development and unleashing the potential of each child and pupil is possible through coherent teacher policies. In this context, their sustainable implementation continues in 2020.

Table 3.4.1: Table of measures addressing the NT for a share of early leavers from education and training of 11% by 2020, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Policies to reduce the share of early school leavers of 11% by 2020.	Implementation of policies and measures under the 2018-2020 Plan for the implementation of the Strategy for reducing the share of early school leavers (2013-2020)	Introduction of compulsory pre-school education from the age of 4	January 2020	Bill on Changes to PSEA is being prepared to provide conditions for the introduction of compulsory pre-school education from the age of 4, including the removal of socio-economic barriers to access to pre-school education for children from the age of 4 until entering the first grade.	Adoption of the ASA of PSEA	September 2020	Increasing the coverage of children from the age of 4 to first grade in pre-school education.	Current value for 2018 – 82.4% Target value – 90%
		Implementation of the Mechanism for Joint Work of the Institutions on the Coverage and Inclusion in the Educational System of Children and Pupils at Compulsory Preschool and School Age.	January 2020	Specific measures are being implemented, tailored to the specifics of the given settlement and school. The 2018-2020 Plan for the implementation of the Strategy for reducing the share of early school leavers (2013-2020) is being implemented.	In implementation of the Mechanism in 2019, the interaction between institutions and other stakeholders improves. Implementation of policies and measures for prevention, intervention and compensation of early school leave, planned for 2019. Analysis of the implementation of policies for reducing the share of early dropping out of the educational system and undertaking measures to improve its efficiency.	December 2020	Achievement of the NT for the share of early school leavers	Current value of the share of ELET for 2018 – 12.7% (for 2019 – 13.9%) Target value of ELET for 2020 – 11%
		Implementation of team support and parental cooperation activities under the 2020 National programme "Together for every child"	January 2020	A draft of the National programme "Together for Every Child" for 2020 has been developed.	Adoption of the CoM Decision for the establishment of National Education Development Programmes for 2020 inclusive and 2020 national programme "Together for Every Child".	December 2020	Support to the implementation of the Mechanism	Number of Scope Teams supported Number of kindergartens and schools implementing measures for cooperation with parents
		Creating conditions for school drop-out prevention, acquiring key competences and motivation for learning, personal development and unleashing the potential of each child and pupil in activities by interest.	January 2020	In 2019, over 16,500 interest-related activities were held in 2,249 schools in the country. BGN 25 million from the state budget has been allocated for the implementation of the activities. 250 000 pupils have volunteered to work in the groups, of which: 60% chose the strands of STEM – Digital Creativity, Mathematics, Technology and Natural Sciences.	Conducting interest activities in 2020 as part of general support for the personal development of children and pupils.	December 2020	Supporting the intellectual, emotional, social, spiritual, moral and physical development of children and students and the	Improved conditions for developing the abilities, competences and to express the talents of pupils in public and municipal schools.

				Arts and Culture and Sports are among the desired strands.			detection, stimulation and development of their abilities in the fields of science, technology, arts and sports.	Reducing school drop-outs and early school leavers rates
	Creating conditions for integration and inclusion of children and pupils in pre-school and school education and prevention of early dropping out of school	Implementation of the project "Active inclusion in the pre-school education system" under OP SESG	2019	A set of measures is being implemented: additional Bulgarian language training for children with a different mother tongue as an effective means of social inclusion, payment of fees for attending full-time kindergarten as a means of overcoming economic barriers to inclusion, motivation of parents for active cooperation between the family and kindergarten.	The project is in process of implementation. For the first time, Bulgarian language training for children with a different mother tongue is aimed at younger age groups (3 and 4 years old). Such training started already at the end of the last school year 2018/2019 and by the end of 2019 there were more than 11,000 children involved. This aims to ensure that before entering school they know Bulgarian and have no difficulty in the educational process	2021	Kindergartens where activities for active inclusion of children have been implemented Children supported for active inclusion in the education system	Kindergartens supported to provide an environment for active inclusion in pre-school education – minimum 1500. childcare facilities to provide a supportive environment for early prevention of learning difficulties – at least 130. - Children participating in activities for active inclusion in the pre-school system – 50 000. Children, pupils, youth from marginalized communities, participating in measures for education integration and reintegration – minimum 20,000.
		Implementation of the project "Support for success" under OP SESG	2019	A set of activities is being implemented: - Development of a set of tools for early identification of pupils at risk of early school leaving and for a differentiated approach in identifying their needs for individual support. - Organising and conducting trainings for pedagogical specialists - for the application of the set of tools; Providing general support for pupils' personal development by means of:	The project is in process of implementation. All project activities have been launched.	2021	Improving the excellence of children and pupils in acquiring key competences. Reducing the number of early school leavers and sustainable retention of pupils in school.	Number of covered pupils – 20,000 pupils with different difficulties in acquiring knowledge and at risk of an early dropping out of school. Career orientation is also envisaged

				<ul style="list-style-type: none"> - additional trainings in the second secondary stage to overcome the gaps in the acquisition of the learning content and/or to upgrade competences - providing activities based on individual interests to stimulate creative work - career orientation with the aim of preparing the transition to the next grade, ensuring motivation to continue education, participation in the labour market, career orientation for pupils from lower secondary education (5th to 7th grade) and other. - Activities, involving work with parents through inclusion of education mediators, social workers, community leaders, NGO representatives etc. 			Enhancing participation in continuing training and furthering knowledge, skills and competences of persons, covered by the OP SESG activities	for pupils between 5th and 7th grade.
		Implementation of the project "Education for tomorrow" under OP SESG	2019	<p>Activities to digitise education from pre-school to 12th grade aimed at acquiring knowledge and skills to work in the digital society, improving access to education, including through the use of easily accessible platforms and mobile applications; reducing the differences in learning outcomes across schools and settlements; modernising the learning methods and tools; enhancing the quality of education for better digital preparation of learners in order to enter the labour market faster and easier; promoting the modernisation of education and lifelong learning; providing conditions and supporting the implementation of pedagogical innovation and modern teaching approaches, etc.</p>	<p>The project is in process of implementation. The main activity of the project is the training of teachers for acquiring new competences and digital skills. The trained teachers will be able to develop digital educational content to use in the educational process. Following an assessment of its compliance with the established curricula of MES and the good pedagogical practices using a tailor-made methodology, the approved content will be published on the platform for national use. Valuable on-line open source digital educational resources will be explored, selected and adapted for the purpose of the project. After control by MES, the approved resources will be published on the platform for free usage.</p> <p>The project will support and encourage students to enhance their digital competences through participation in extracurricular activities, including for STEM development.</p> <p>The project will create preconditions for accelerating the integration processes of children at risk of dropping out and/or lagging behind digital knowledge and skills, as well as children with special educational needs, i.e. the project will also be expected to have a socialising effect.</p> <p>The need to modernise education through digitisation will be supported by conducting awareness campaigns on the importance and the general or specific benefits to society.</p>	2022	<p>Schools and kindergartens involved in activities to introduce innovative teaching methods using modern ICT (ID 2112) – 2 000. Additional procedure-specific performance indicators:</p> <p>Number of pedagogical professionals involved in training for the adoption, introduction and implementation of innovative teaching methods using modern ICT – 25 000; Pupils/children from schools/kindergartens involved in the</p>	<p>Share of schools and kindergartens involved in OP activities (the procedure) introduced innovative teaching methods developed under OP using modern ICT (ID P 2113) – 85%. Additional procedure-specific result indicators:</p> <p>Share of pedagogical professionals among those involved in activities under the procedure who have acquired the skills to introduce and implement innovative teaching methods through the use of modern ICT – 85%;</p> <p>Share of pupils and children in</p>

							procedure – 220,000.	schools/kindergartens successfully completed their participation in interest clubs and additional activities in and through ICT – 25% (of all 220,000 children and pupils involved in the operation).
		Improving the material base in educational institutions – day nurseries and kindergartens, primary and secondary schools	2015	<p>Implementation of projects under grant award procedures under PA 1 “Sustainable and integrated urban development“ and PA 3 “Regional education infrastructure”.</p> <p>Under PA 1, investment priority “Educational infrastructure“ 39 grant contracts amounting to BGN 255 million were concluded, 14 grant contracts amounting to BGN 87.6 million were finalized.</p> <p>Under PA 3, 45 grant contracts were concluded for the renovation of vocational high schools, sports schools and schools of culture and art amounting to BGN 175.9 million, 25 contracts amounting to BGN 32.2 million were completed.</p>	Implementation of projects under PA 1 and PA 3 of OPRD 2014-2020.	2023		Capacity of supported childcare or educational infrastructure – target value – 196,086 persons (baseline value – 0), achieved so far 68,570 persons.



National target:

36% share of the people aged 30-34 having completed tertiary education by 2020

In 2020, efforts will be made to modernise Bulgaria's higher education system and good practices will continue to be identified and implemented in this direction. The amendments adopted by the National Assembly to the Higher Education Act aim to ensure a higher education system capable of responding to the dynamics of social processes while maintaining the necessary quality of higher education, i.e. a system capable of sustainable development. Some of the main changes are:

- 1) Optimisation of the structural network – a National Higher Education Map is envisaged. It defines the territorial and profile structure of the institutional network for higher education. A moratorium shall be established on the opening and conversion of higher education institutions, as well as of main units and subsidiaries in public higher education institutions, with the exception of their conversion for consolidation and optimisation, pending the adoption of the National Higher Education Map.
- 2) Management of the higher education institutions – this measure consists of the establishment of a policy for the development of each public higher education institution with strategic objectives and tasks, targets and performance indicators. The policy will be developed in interaction between stakeholders, will express their shared vision for the development of the institution concerned and will be established within three months before the elections for the higher education management. The Minister of Education and Science will conclude a management contract with the rector selected by the General Assembly of the respective public higher school, who will prepare an annual report on the performance of obligations under the contract.
- 3) Improving the accreditation model – alleviating the accreditation burden and assessing how the university as an organisation carries out its mission and objectives and applies quality assurance standards and guidelines in the European Higher Education Area.
- 4) Other changes – the possibility for employers to contract students to conduct an apprenticeship during the training, as well as to provide a job after graduation. The cost of preparing these students will be fully or partially covered by the state budget, as will their reimbursement in the event of non-performance of the contract.

In order to improve the link between higher and secondary education institutions and improve the quality of profiled, vocational and specialised training, it is possible to conclude up to two agreements between a public university and public or municipal schools of the pre-school and school system. Training is planned to be under coherent curricula and conducted also by academic teachers in higher education institutions.

Table 3.4.2: Measures addressing the NT for a share of 36% of the people aged 30-34 having completed tertiary education by 2020, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Establishing a sustainable and efficient link between higher education institutions and the labour market. Enhancing the quality of higher education.	Ensuring conditions for enhancing the quality of higher education and the efficiency of public spending on the higher education system. Raising the funds for financing higher education and science and the efficiency of their use through an improved funding model	1. Preparation of the National Higher Education Map	2020	Preparations launched for the preparation of the National Higher Education Map	Preparation of the National Higher Education Map. Consultation with the stakeholders.	2021	Preparation of labour market staff of the required quality, as well as defining the territorial and profile structure of the institutional network for higher education.	One national map of higher education
		2. Management contracts between the Minister of Education and Science and the elected rector elected by the General Assembly of the respective public higher school.	2020	Contract preparation initiated.	Preparation and signing of management contracts.	2021	With the contracts concluded between the Minister of Education and Science and the rector elected by the General Assembly of the public higher school on the basis of this shall be approved policy, including specific values and indicators. The Higher School Rector will prepare an annual report to the Minister of Education and Science on the fulfilment of the contractual obligations.	33 contracts signed

1	2	3	4	5	6	7	9	10
	Ensuring the existence of a link between state-funded training of students and PhD students and the priorities of the country's socio-economic development	An envisaged project by a CoM Decision aims at adopting the number of students and PhD students admitted to higher education institutions and scientific organizations during the school year 2019/2020.	January 2019	Prepared project of CoM Decision	Adopted CoM Decision	May 2020	Ensured link between state-funded training of students and PhD students and the priorities of the country's socio-economic development	Number of students and PhD students, who are in training in priority economic areas
	Establishing a sustainable and efficient link between higher education institutions and the labour market	Implementation of the procedure "Modernization of higher education institutions" under OP SESG The main objective is to optimise the processes in HE and introduce an entrepreneurial and innovative culture in the management of higher education institutions. Introduction and development of training in entrepreneurship and professional development of teachers. Introduction of digital educational content and electronic resources for teaching and training in higher education institutions.	2020	Approval of the procedure by the Monitoring Committee is pending.	The activities are under discussion with the stakeholders.	2023	BGN 50 million	Achieving a dynamic match between supply and demand of higher education professionals
		Implementation of procedure BG05M2OP001-2.013 "Student Practice – 2" under OP SESG The procedure is aimed directly at providing practical training for students in a real work environment, which will on the one hand ensure an improvement in the quality of higher education and, on the other hand, deepen the links between higher education and the labour market.	2020	The procedure is in process of implementation.	Activities on organising and conducting of student internships are being implemented to improve students' practical skills according to labour market needs, as well as to strengthen the relations between higher education institutions and employers and to enhance the effectiveness of partnerships between the two sides.	2023	BGN 46 million	Target value: - Number of students included in student practice – 44,000 of which: - Students in the field of higher education "pedagogical sciences" – 6,000; sciences". - Students in technical specialties included in practical training – 7,000 – Students in the field of higher education
	Providing an information data-base for indicators for drawing up a comprehensive	The upgrade of the rating system of higher education institutions is	2016	Activities to update, publish and promote the ranking system shall be carried out. Activities related to the integration of existing information systems and registers. Project information and publicity activities.	The procedure is in process of implementation. The activities implemented shall aim at:	2020	BGN 2.7 billion	An updated ranking system has been developed for 2019.

1	2	3	4	5	6	7	9	10
	assessment of the quality of higher education	<p>implemented under an OP SESG project “Maintenance and Upgrade of the Bulgarian University Ranking System – phase 1”</p> <p>The project aims to improve the quality in the higher education (HE) system by ensuring an objective assessment based on rating system data.</p>			<p>- methodological development of the rating system, including the introduction of new indicators in line with the current development of the higher education system data collection, statistical data processing, software and development of the web platform of the rating system, publication of rankings based on the rating system, etc. Ensuring transparency in the annual updating of the rating methodology through the established public advisory bodies.</p> <p>- Ensuring further integration into the existing information systems (IS) and registers in the fields of education, research and other IS maintained by general government bodies;</p> <p>- providing information and publicity, including promotion of the use of the rating system in the field of school education, to employers, career centres and higher education institutions.</p>			<p>Three updated rating system rankings have been published;</p> <p>Three annual editions of the updated ranking were published in paper form in Bulgarian and English;</p> <p>Trainings and events were held with representatives of the target groups.</p>
	Improving the quality of higher education by renovating the material base of higher education institutions	Construction, reconstruction, repair, equipment and furnishing of higher education institutions.	2015	Under procedure “Support for higher schools in the Republic of Bulgaria“ – 13 Grant contracts amounting to BGN 40.7 million were concluded. 6 contracts worth BGN 17.3 million have been finalised.	Implementation of the projects under the procedure.	2023	BGN 43 million under OPRD 2014-2020.	Capacity of supported childcare infrastructure – number of students; target value 55,694, current value – 13,713

3.5 National target for poverty and social inclusion

Policy measures

The fulfilment of social inclusion objectives is closely linked to the implementation of other sectorial policies, including employment provision and access to education, addressed in CSR 4. Key accents include: improving regulations in the social services field, continuation and finalization of the childcare deinstitutionalization process; implementation of the process of deinstitutionalization of care for the elderly and people with disabilities; enhancing the quality of services; ensuring financial stability of the social services system; expanding the network of community and home-based social services for the elderly and people with disabilities.

To ensure equal access to quality social services and deinstitutionalisation, priority will continue to be given to improving the regulatory framework in the social services field. The adopted in 2019 Social Services Act (SSA), which enters into force on 01.07.2020, aims to improve the mechanisms for planning, financing, control and monitoring of services, as well as to increase their quality, efficiency and sustainability. Draft regulations necessary for the implementation of the law are being developed.

The implementation of the adopted in 2016 Updated action plan for the implementation of the National Strategy "Vision for the deinstitutionalisation of children in the Republic of Bulgaria" in the context of the reform of childcare continues. The main results include a reduction in the number of children in specialised institutions by more than 94% (from 7,587 children in 2010 to 453 children at the end of January 2020) and a reduction in specialised children's dedicated institutions by almost 86% (from 137 specialised institutions in 2010 to 19 at the end of January 2020). 118 specialised institutions have been closed, with the first phase of implementation of the reform closing all institutions for children with physical disabilities and intellectual disabilities, as well as foster homes for children aged 4 to 7 deprived from parental care.

The number of the community-based social services in the community for children has also increased significantly, reaching 631 at the end of January 2020, with a total capacity of 14,477 places.

The reform of the care for the elderly and people with disabilities and the development of affordable and quality services at home is also one of the priority areas of the social inclusion policy. The 2018-2021 Action Plan for the implementation of the National Strategy for Long-Term Care launched the first stage of the deinstitutionalisation process of care for disabled people and the elderly. For the implementation of the process for deinstitutionalisation of care for the elderly and disabled people, in the SSA is foreseen that the existing specialised institutions for people with disabilities shall be closed by 1 January 2035 and that the existing homes for the elderly shall be reformed by 1 January 2025, in order to meet the quality standards.

For the management of the deinstitutionalisation process of care for the elderly and disabled, a High Level Inter-agency Group has been set up, assisted by the Permanent Expert Working Group on the development and coordination of the implementation of the action plans for the implementation of the National Long-Term Care Strategy.

In recent years, there has been an increase in the number of the community-based social services for adults activities delegated by the state, reaching 559 at the end of January 2020, with a total capacity of 10,851 places.

Ensuring effective support for families with children is an essential dimension of the policy to reduce poverty and promote social inclusion. In 2019 changes were made to the Family Allowances for Children Act (promulgated, SG, issue 35 of 2019), which, as of 01.08.2019, provided for the monthly allowance for a child until the completion of secondary education, but no more than 20 years of age, to be terminated when within one month of the school year absences of more than three days were generated from a child attending a group for compulsory pre-school education and of 5 classes by a student for which there are no valid reasons. The method of payment of the one-off sum allowance for pupils enrolled in the first grade has also been changed – 50 per cent of its amount is paid after the entry into force of the award order and the remainder is paid at the beginning of the second period of study if the child continues to attend school.

By Decision No. 29 of 24.01.2019 of the Council of Ministers, an Action Plan for 2019-2020 for the implementation of the National Strategy for Reducing Poverty and Promoting Social Inclusion 2020 and a Report on the implementation of the Action Plan for the period 2017-2018 were adopted. The main focus of the 2019-2020 Plan is in the context of the main targets and priorities of the National Strategy for Poverty Reduction and Social Inclusion 2020, with a focus on employment and educational measures.

In support of the policies to facilitate access for people with disabilities and citizens from vulnerable groups to health services and long-term care, in 2019 the Ministry of Health continued the implementation of the

project BG05M9OP001-2.028 "Patronage Care for the Elderly and Persons with Disabilities – Component 1", funded under Operational Programme "Human Resources Development" 2014-2020, developing a methodology for the provision of patronage care for the elderly and disabled, including chronic diseases and permanent disabilities, to provide part-time mobile integrated health and social services in their homes. This model will structure and standardise the provision of health and social patronage care by municipalities throughout the country. In 2020 the municipalities have provided this patronage care in the framework of the implementation of Component 2 of the procedure "Patronage Care for the Elderly and Persons with Disabilities" under OPHRD.

Work is also ongoing on projects BG16RFOP001-5.001-0003 "Construction of infrastructure for the provision of specialized health and social care for children with disabilities" and project BG16RFOP001-5.001-0054 "Construction of infrastructure for the provision of specialized health and social care for children with disabilities – 2", with the implementation of which will be built the infrastructure and ensured the equipment and furniture necessary for the operation of 26 centres that will offer residential health and social services for children with disabilities and high-risk behaviour.

The disability rights policy in recent years has been closely linked to an integrated and horizontal approach bringing together resources in different sectorial policies. A major focus is put on creating conditions and opportunities for social inclusion and providing targeted support and incentives to vulnerable groups of people with disabilities that have a beneficial impact on the quality of life and prevention from social exclusion.

The implementation of the relevant Action Plans adopted by the Council of Ministers for the implementation of the requirements and priorities stemming from the strategic framework and international treaties in the field continues, with a horizon until 2020. The UN Action Plan for the implementation of the Convention on the Rights of Persons with Disabilities (2015-2020) outlining the concrete actions and targeted measures to implement the requirements of the Convention in line with local specificities, design and circumstances is in process of implementation. The implementation of the measures under the key priorities mentioned in the National Strategy for People with Disabilities until 2016-2020 continues, and the activities to achieve its objectives are set out in the two action plans – a three-year one, covering the period 2016 – and a two-year one for the period 2019-2020 (adopted on the basis of Art. 7, in conjunction with Art. 8, para. 2 and Art. 9, para. 1, items 2 and 7 of the Persons with Disabilities Act by Council of Ministers Decision No. 667 of 07.10.2019)

Measures were taken in 2019 to improve the adequacy of social benefits for people with disabilities in the Republic of Bulgaria. With the entry into force of the Persons with Disabilities Act (as of 1 January 2019), a change in the model for determining the financial support for this vulnerable group was achieved, as well as a regulation of types of financial support for persons with disabilities consisting of two components: monthly financial support and targeted assistance to compensate for the costs of overcoming the difficulties caused by the type and degree of disability. The new basis for calculating the amount of support is the poverty line established for the country for the relevant year – BGN 363 for 2020, which as a dynamic monetary indicator has an annual indexation and this creates a guarantee to avoid the possibility of reducing the amount of financial support for people with disabilities. A new approach of individual needs assessment, taking into account the will and real needs through the perception of the particular disabled person, has been introduced by completing the self-assessment form required when requesting the assessment.

The main result of the reform undertaken is the increased opportunities for social inclusion in the community. The range of people subject to new forms of support has been expanded. The amount of monthly funds received has been increased. For the period February-December 2019, monthly financial support was provided to 636,093 average monthly persons and targeted allowances to 8,485 average monthly persons.

The impact in terms of employment, living standards and quality of life for groups of people with disabilities is enshrined in the new legislation. The focus is on accessibility.

The establishment of a single coordination centre for the rights of persons with disabilities is one of the national obligations to implement the ratified UN Convention on the Rights of Persons with Disabilities (at EU level). Opportunities are envisaged to extend coordination in the implementation of the overall state policy on the rights of persons with disabilities between different institutions and organisations. The coordination mechanism implies communication between the different public authorities in sectorial policies so as to ensure that people with disabilities have access to the public resource with a view to providing adequate support to those in need.

Table 3.5: Table of measures addressing the NT for poverty and social inclusion, part of Annex 1

Policy Area	Measure Title	Information on measures taken and planned					Expected effect, including budgetary	Output indicators: current and target value
		Brief description of the measure	Start date	Current state (as of April 2020)	Upcoming stages in the implementation of the measure until its implementation deadline (after April 2020)	End date		
1	2	3	4	5	6	7	9	10
Supporting families with children	Providing Family Allowances for Children under the FAA	Providing allowances	On-going	As of 31.12.2019, family allowances for children under the FAA were paid at the amount of BGN 516,798,261.	The funds foreseen for 2020 for the payment of family allowances for children amount to BGN 530,683,000.	On-going	2020 – BGN 530,683,000	Share of children at risk of poverty before and after social transfers (41.5 and 26.6 respectively) – a decrease of 2.6 p.p. for 2018
	Ensuring access to community-based social services and continuing the process of deinstitutionalization	<p>Creating new community-based social services for children and families, elderly and people with disabilities and removing the institutional model of care</p> <p>Support under OPHRD 2014-2020:</p> <p>1/ Operation "Foster care 2015"</p> <p>2/ Operation "Enhancing the capacity of employees in the field of child protection, social services and social assistance"</p> <p>3/ Operation "Find me"</p>	<p>2015</p> <p>2016</p> <p>2017</p>	<p>Implementation of the updated Action Plan for the implementation of the National Strategy "Vision for deinstitutionalization of children in the Republic of Bulgaria" (adopted by Council of Ministers Decree No. 859/13.10.2016)</p> <p>Implementation of operations under OPHRD:</p> <p>1/ Under Operation "Foster care" 5,246 children were accommodated and raised in 2,580 foster families in partner municipalities.</p> <p>2/ In process of implementation.</p> <p>3/ In process of implementation. 32 GAs were signed at a value of BGN 3,912,209.42</p>	<p>Continuation and finalisation of the process of deinstitutionalisation of childcare</p> <p>1/ Continuation of the implementation of the project activities.</p> <p>2/ Continuation of the implementation of the project activities.</p> <p>3/ Continuation of the implementation of the project activities.</p>	<p>2023</p> <p>2020</p> <p>2022</p> <p>2020</p>	<p>OPHRD – BGN 300.7 million</p> <p>OPRD – BGN 57 million</p> <p>BGN 136.4 million</p> <p>BGN 28 million</p> <p>BGN 4 million</p>	<p>1/ Children and young people receiving social and health services in the community after their removal from the institution – 3,300; Number of social service providers – 150.</p> <p>2/ Number of employees who have acquired a qualification upon leaving an operation – 7,300.</p> <p>3/ Number of service providers for social inclusion – 25; Children and young people living in institutions covered by deinstitutionalization interventions /including children and young people accommodated in community-based</p>

1	2	3	4	5	6	7	9	10
		4/ Operation "Continuing support for de-institutionalization of children and youth"	2018	4/ In process of implementation.	4/ Continuation of the implementation of the project activities.	2023	BGN 3 million	residential services/ – 600;
		5/ Operation "Deinstitutionalisation of children and young people – STAGE 2 – provision of social and integrated health and social services for children and families"	2018	5/ The operation is to be announced for application.	5/ In process of evaluation of the submitted PP.	2023	BGN 74 million	4/ Children and young people accommodated in institutions covered by deinstitutionalisation interventions – 1,630;
		6/ Operation "Professional integration of youth from residential services"	2019	6/ The operation was announced and had a deadline for submission of project proposals 21.02. The operation is aimed at labour market inclusion, career guidance and provision of mediator services to young people accommodated in resident services.	6/ Evaluation of the submitted project proposals and subsequent conclusion of contracts with the approved applicants.	2023	BGN 3 million	5/Children and young people accommodated in institutions covered by deinstitutionalisation interventions – 1,470.
		7/ "Early Child Development Services"	2015	7/ 64 contracts with a total value of BGN 50,773,160.88 were concluded.	7/ Continuation of the implementation of the project activities.	2020	BGN 52.3 million	6/ Unemployed and inactive young people – 160; Number of supported cooperative enterprises and social economy enterprises – 8.
		Under OPRD 2014-2020: implementation of the procedure "Support for deinstitutionalisation of childcare" through construction, repair, reconstruction, readjustment, renovation of a building stock to provide adequate infrastructure for social services in the community	2017	18 are finalised and 35 grant contracts for deinstitutionalization of childcare amounting to BGN 44.4 million are in process of implementation.	Project implementation	2023		7/ Number of children supported through services – 40 000 Under OPRD: Capacity of the supported childcare or educational infrastructure (current value – 1,775 persons, target value – 6,093.00)

1	2	3	4	5	6	7	9	10
								Number of supported social infrastructure sites in the deinstitutionalization process (current – 25, target – 147)
		Support under OPHRD 2014-2020:	2018	Implementation of the Action Plan for implementation of the National Long-Term Care Strategy for the period 2018-2021 (adopted by CoM – Decision No 28/19.01.2018)	Implementation of the measures and activities set out in the 2018-2021 Action Plan for the implementation of the National Long-term Care Strategy	2023	OPHRD – BGN 84.9 million OPRD – BGN 41.3 million	
		1/ Operation “New long-term care for elderly and for people with disabilities”	2019	1/ Contract concluded with the specific beneficiary and in the process of implementing the project proposal.	1/ Continuation of the implementation of the project activities.	2023	BGN 4 million	1/ Persons aged over 18 – 700
		2/ Operation “New long-term care for the elderly and people with disabilities” – STAGE 2 – provision of new services”	2019	2/ The procedure is aimed at preparing the removal of people with disabilities and the elderly from specialized institutions, prevention of their institutionalization, drawing up an assessment of their needs, performing actions to enhance the system capacity and implementing a communication strategy.	2/ To be announced in 2020	2023	BGN 20 million	2/ Persons aged over 18 – 1260
		3/ Operation “Patronage care the elderly and people with disabilities” – Component I and Component II	2019	3/ The Ministry of Health is the specific beneficiary under Component I, while beneficiaries under Component II are municipalities. Under C2 126 contracts were concluded with municipalities for a total value of BGN 31.7 million.	3/ Implementation of project activities – Component 1 and Component 2.	2023	BGN 45.9 million	3/ Persons aged over 18 – 17,000; Number of service providers for social inclusion – 265.
		4/ Operation “Personal development of persons with mental disorders and intellectual disability”	2019	4/ The procedure had a deadline for submission of project proposals until 3 January 2020. An evaluation of the submitted PP is pending.	4/ Evaluation of the submitted project proposals and subsequent conclusion of contracts with the approved applicants.	2023	BGN 2 million	4/ Persons aged over 18 – 750; Number of service providers for social inclusion – 10
		5/ Operation “Social inclusion of persons with mental disorders and intellectual disability”	2019	5/ The procedure is announced with a deadline for application 31 January 2020. The goal of the operation is to provide supporting services in the community by creating centres for social rehabilitation and integration of persons with mental disorders and intellectual disability.	5/ Evaluation of the submitted project proposals and subsequent conclusion of contracts with the approved applicants.	2023	BGN 10 million	5/ Persons aged over 18 – 800; Number of service providers for social inclusion – 10;

1	2	3	4	5	6	7	9	10
		<p>6/ Operation “Social enterprises for persons with mental disorders and intellectual disabilities”</p> <p>Under OPRD 2014-2020: implementation of the procedure "Support for deinstitutionalisation of care for the elderly and the disabled“ through construction, repair, reconstruction, readjustment, renovation of a building stock to provide adequate infrastructure for social services in the community</p>	<p>2019</p> <p>2018</p>	<p>6/ The operation was announced for application in February 2020. Deadline for submission of project proposals – 10 April 2020.</p> <p>26 grant contracts for deinstitutionalisation of care for the elderly and disabled are in process of implementation, amounting to BGN 37.3. No completed projects.</p>	<p>6/ Evaluation of the submitted project proposals.</p> <p>Projects implementation.</p>	<p>2023</p> <p>2023</p>	<p>BGN 3 million</p>	<p>6/ Inactive or unemployed participants – 200</p> <p>Under OPRD: Number of supported social infrastructure sites in the deinstitutionalization process (current – 0, target – 67)</p>
			2016	<p>Implementation of the project “New standards for social services” with the MLSP as specific beneficiary. The latest of the project activities related to the preparation of analysis and offers of community social services and integrated services in support of the process of deinstitutionalisation of long-term care is under implementation.</p>	<p>The implementation of the project is extended until the end of 2020. New and/or updated processes and models for planning and implementing policies and services will be implemented within the project</p>	2020	OPHRD – BGN 1.7 million	<p>Developed quality standards for social services for children and adults, including with disabilities; developed models for valuing and financing social services; developed model for social service planning and criteria for developing a needs map and a service map at national level.</p>
Improving the access to integrated social and employment services	Improving the access to the labour market for people with disabilities	Promoting a business initiative in the interest of persons with disabilities by implementing measures under the Persons with Disabilities Act. Providing employment opportunities in a normal, specialised and protected working environment.	2020	<p>The National Programme for the Employment of Persons with Disabilities aims at creating employment conditions for people with permanent disabilities, encouraging and assisting employers in hiring them and enhancing their employability by financing activities to provide access to the workplace, adaptation of the working environment; qualification, respectively training for professional development; other activities;</p> <p>Financing projects for the start-up and development of independent business activities of people with disabilities.</p>	<p>Increasing the employment and employability of people with disabilities through financial incentives.</p> <p>Improving the entrepreneurial skills of people with disabilities</p>	Dec. 2020 (annual)	<p>BGN 4.2 million for 2020</p> <p>BGN 0.6 million for 2020</p>	<p>Adapted and equipped working places for people with permanent disabilities, including trained persons from the target group for professional and career development – target value – 1000;</p> <p>People with disabilities who started an independent business – 27;</p>

1	2	3	4	5	6	7	9	10
				<p>Funding of specialised enterprises and cooperatives of people with disabilities under targeted projects and programmes.</p> <p>Financing the construction of Sheltered Employment Centres – a mechanism to support the labour integration of people with multiple permanent disabilities to perform productive activities, paid work and provision of personal support services.</p> <p>Creating conditions for the implementation of the approved project activities.</p> <p>Implementation of monitoring and control</p>	<p>Improving the productivity and competitiveness of specialised enterprises and cooperatives of people with disabilities and labour and treatment facilities. Overcoming the economic constraints.</p> <p>Providing sheltered employment for people with multiple permanent disabilities.</p>		<p>BGN 1.5 million for 2020</p> <p>BGN 0.6 million for 2020</p>	<p>New jobs created for people with disabilities – 30;</p> <p>Secured jobs and/or improved health and safety at work in a specialized working environment – 360;</p> <p>Technological Upgrade – 10;</p> <p>Established sheltered employment centres - 2.</p>
Improving the access to integrated social and employment services	Improving the access to the labour market for people with disabilities	Funding of activities to build an accessible housing environment for persons with disabilities and to support the personal mobility of persons with permanent disabilities, in accordance with 56, para. 1 of the Persons with Disabilities Act. The National Programme for Accessible Living Environment and Personal Mobility aims at removing the existing obstacles and barriers to accessibility and supporting the personal mobility of people with permanent disabilities for their social inclusion.	2020	<p>A procedure has been opened for the submission of project proposals under the two components of the Programme:</p> <p>1. Component 1 “Accessible Living Environment” – for financing of the implementation of investment projects to build an accessible environment in existing residential buildings and adjacent spaces, which is used free of charge and in a non-economic manner;</p> <p>2. Component 2 “Personal mobility” – for the adaptation of a personal motor vehicle necessary to ensure the personal mobility of a person with a permanent disability.</p>	Implementation of National Programme for Accessible Living Environment and Personal Mobility.	December 2020 (annual)	BGN 2 million For 2020	50 projects funded, the relevant components.
		Financing projects to build an accessible architectural environment for people with disabilities at cultural, historical, sport and other sites.		<p>Improved access for people with disabilities with specific needs in their spatial mobility.</p> <p>The funding of projects to ensure architectural access and adaptation of cultural, sports and historical sites provides prerequisites for the active social inclusion of people with disabilities having specific needs in their spatial movement for their participation in the cultural, social and sports life in the country. This increases their social importance and self-esteem and achieves their inclusion in the country's national cultural, historical wealth.</p>	<p>Financing the implementation of project activities.</p> <p>Monitoring and control of the implementation of the funded activities.</p>	December 2020 annual	BGN 0.5 million	Access for people with disabilities and adaptation of cultural, historical and sports sites of international, national and regional importance

1	2	3	4	5	6	7	9	10
Improving the living conditions of vulnerable groups	Integration of vulnerable and other disadvantaged groups by providing adequate social infrastructure and improving the living conditions for vulnerable groups.	Under OPRD 2014-2020: Construction, reconstruction, repair and expansion of social housing in order to prevent poverty and social exclusion and repair/reconstruction/construction of adequate municipal infrastructure for the provision of social services in the community – temporary accommodation centres, crisis centres, shelters and centres for working with children on the street.	2015	Implementation of projects under the grant award procedure under PA 1 “Sustainable and integrated urban development“ for the construction/reconstruction of social housing for disadvantaged people, including for marginalised groups and for municipal social infrastructure for the provision of community services. 9 grant contracts for social housing worth BGN 29 million and 7 contracts for municipal social infrastructure worth BGN 8 million were concluded. Two social infrastructure projects and one social housing project have been completed.	Implementation of projects under OPRD 2014-2020 under PA 1 "Sustainable and integrated urban development“ – for projects for construction/reconstruction of social housing for disadvantaged people, including for marginalised groups and for municipal social infrastructure for the provision of community services.	2023	BGN 55.8 million under PA 1 of OPRD	Rehabilitated housing in urban regions – target value 632, achieved – 183 Population benefiting from improved social services – target value 44,576 persons
More effective minimum income support	Providing financial support for people with disabilities	Provision of monthly financial support and targeted allowances under the Persons with Disabilities Act.	2020	Preparation of an individual assessment of the needs of persons with disabilities under the Persons with Disabilities Act. Based on the conclusions of the evaluation, the types of financial support under the law are determined. Implementation of activities for the award, payment, amendment, suspension, termination and resumption of financial support, in accordance with the terms and conditions laid down in the Implementing Regulation.	Ensuring the realisation of the right to financial support for persons with disabilities. Compensation of costs related to overcoming the difficulties caused by the type and degree of disability.	December 2020 annual	BGN 450.19 million for 2020	Supported persons for 2020 (target value – 658,000 persons).

4 Using EU Funds

The European Structural and Investment Funds (ESIF) 2014-2020 provide financing for measures and operations under three of the priorities of the Europe 2020 Strategy:

- Increasing the employment rate of the population aged 20-64 to 75%;
- Investing 3% of GDP in research and development;
- Reducing the early school leavers rates to less than 10% and increasing the higher education graduates rates to at least 40%.

The budget of the operational programmes for the 2014-2020 period amounts to BGN 23 billion. As of 31.12.2019, the agreed funds are more than 81% of the total budget of the programmes and the funds actually paid exceed 42% of the budgets of the programmes.

⁴Under Programmes co-financed by ESIF 363 application procedures were announced in 2019, totalling over BGN 2 billion.

In accordance with the approved Indicative Annual Work Programmes, 49 procedures totalling more than BGN 739 million will be announced under the programmes co-financed by the ESIF in 2020. The planned procedures are related to:

- Improving the higher education system in accordance with labour market requirements
- Modernisation of higher education institutions
- Vocational training for successful labour market uptake
- Inclusive education;
- Support to vulnerable groups for access to higher education
- Stimulating the uptake of innovations by existing enterprises;
- Upgrading and development of the science and technology park "Sofia Tech Park"
- SMEs digitisation
- Preparatory activities for the start of construction of the Bulgaria-Serbia gas connection
- Road Safety
- Development of cultural heritage of national and world importance
- Purchase of medical helicopter equipment
- Supporting training needs for medical staff in the field of transplantology
- Transnational partnerships for introducing social innovation
- The social and solidarity economy
- Long-term care for the elderly
- Social inclusion and early development support services
- Studies and investments related to the maintenance, restoration of the cultural and natural heritage of villages
- Vocational training and acquisition of skills in the field of agriculture
- Investment in infrastructure in rural areas
- Vocational training and acquisition of skills in the field of forestry and agriculture, as well as support for the market realization of production
- Productive investments in aquaculture
- Changing from traditional to organic production methods in the field of aquaculture
- Implementation of demonstration/pilot projects in the field of waste management;
- Support for regional investment planning of the water supply and sewerage sector for Sofia Municipality;

⁴ Under the approved Indicative Annual Work Programmes

- Supporting the development and management of ecosystem services and assessing the status of green infrastructure elements under Natura 2000.

In addition, under the Operational programme for food and/or basic material assistance”, funded by the Fund for European Aid to the Most Deprived Persons for 2020, BGN 35.8 million is envisaged.

The implementation of major infrastructure projects under OP “Transport and Transport Infrastructure” 2014-2020 will continue in 2020.

The “Fund Manager of Financial Instruments in Bulgaria” EAD (Fund of Funds) structures and manages financial instruments co-financed by the European Structural and Investment Funds (ESIF) currently amounting to BGN 1.29 billion on an ongoing basis and provides complementary information and coordination support for project investments.

The Company has concluded funding agreements with the Managing Authorities of the following Operational Programmes:

- Human Resources Development 2014-2020;
- Innovation and Competitiveness 2014-2020;
- Regions in Growth 2014-2020;
- Environment 2014 – 2020;
- Regional Development 2007-2013

The FoF is in the process of negotiating agreements under the Rural Development Programme and the Maritime and Fisheries Programme.

In the field of environmental protection under OPE 2014-2020 FMFIB, in cooperation with the EBRD, is already implementing the "Development of the Water Sector Financial Instrument“ (amounting to BGN 225 million), which provides funding for consolidated water and wastewater operators. The resources from the three urban development funds under OPRG 2014-2020 (amounting to BGN 353.3 million, which after the mobilisation of additional private capital are expected to reach over BGN 600 million) are available to the final recipients.

Financing is available under the "Risk-sharing Micro-finance facility“ under OPHRD 2014-2020. Through the two tranches of the instrument, resources amounting to BGN 23.9 million will reach the final recipients, the purpose of which is to support persons who, other things being equal, would not have access to financing. The loans are directed at start-ups and social enterprises, as well as those set up by people who have been unemployed for more than 6 months, people with disabilities and young people aged 29 years or less.

Given that investment levels are below the EU average, as identified in the Country Report, and the specific need to address the challenges in the research and innovation areas, in 2019 FMFIB focused efforts in structuring instruments in this particular area. As of February 2020, the "Acceleration and start-up fund" stages I and III (with a total budget of BGN 64.8 million) aimed at start-ups and the "Venture Capital Fund“ (which will provide public funds for management amounting to BGN 47.1 million) are operational and intend to provide support for equity and quasi-equity investments in high-tech, innovative small and medium-sized enterprises (SMEs) at an early stage of development. In addition, financial intermediaries have been selected for the "Acceleration and start-up fund" stage II (BGN 35.6 million) and for the "Mezzanine/Growth Fund", which will support SMEs with growth potential (BGN 75.3 million) under OPIC 2014-2020. Tendering procedures are ongoing for the selection of an intermediary for the "Technology Transfer Fund“ (BGN 58.7 million), which aims to bridge the gap between science, innovation and business in the country, as well as for a guarantee product in the field of innovation and energy efficiency aimed at enterprises (BGN 137 million).

The implementation of Operational Programme “Science and Education for Smart Growth“ 2014-2020 (OP SESG) in 2020 remains a key instrument for achieving Bulgaria's strategic objectives in education and science. Sustainability of interventions is ensured in 2020 through the implementation of the programme on topics related to specific recommendations and national targets, while new operations are to be launched in this respect. ●