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Summary of the Partnership Agreement for Bulgaria, 2014-2020

The Partnership Agreement is the national strategic document outlining the framework for the management of EU structural and investment funds in Bulgaria in the programming period 2014-2020. It covers support from five funds - European Regional Development Fund (ERDF), the European Social Fund (ESF), the Cohesion Fund, the European Agricultural Fund for Rural Development (EAFRD) and the European Maritime and Fisheries Fund (EMFF) – which together are referred to as the European Structural and Investment Funds (ESIF) - and the specific allocation to the Youth Employment Initiative in Bulgaria.

The Partnership Agreement identifies four strategic mutually reinforcing priorities through which the country will implement the EU Cohesion Policy in line with the Europe 2020 strategy for inclusive, smart and sustainable growth, namely:

- Education, employment, social inclusion and healthcare for inclusive growth;
- Scientific research, innovation and investment for smart growth;
- Connectivity and green economy for sustainable growth;
- Good governance and access to quality administrative services.

The funding priorities are based on analyses of regional disparities, development needs and the potential for growth of Bulgaria. Investments should achieve tangible, long-term results, mobilising additional national resources and private capital to create jobs in value-added sectors and promote sustainable economic growth. The identified areas of interventions are based on strategic documents outlining the policies for development of Bulgaria in the coming years, the National Development Programme, National Reform Programme, National Spatial Development Concept, as well as the European Council Recommendations for Bulgaria. Bulgaria has chosen to finance investments under all 11 thematic objectives defined in the Regulations. Details on thematic objectives are presented in Table 1.

Increasing the employment rate and ensuring high quality of the human capital through better education, raising qualifications and skills, improving health and healthcare are key priorities for Bulgaria. Special emphasis is placed on employment of youths and elderly people and on the disadvantaged groups of the population. The funds will finance initiatives to improve education and training systems and to reduce the share of early school leavers, especially among the marginalized groups in Bulgarian society, such as Roma. Social inclusion will be supported through integrated measures, which combine improvement of housing conditions with access to employment, education, social and health services.

Promoting innovation friendly business environment by enhancing the knowledge-based competitiveness of SMEs is another main priority for Bulgaria. ESIF will support

innovation activities of enterprises and innovative start-ups, developing partnerships between business and academia and improving innovation and research infrastructure. Access to funding for innovative SMEs, particularly those developing business activities in the area of low-carbon economy, is of great importance. ESIF investments are to improve energy efficiency in households, industry, services and transport alike.

A substantial share of ESIF will be devoted to upgrading Bulgaria's transport and environment infrastructure. Through modernisation and construction of missing railway and road sections along the TEN-T network, a more efficient connectivity across regions, as well as with neighbouring countries will improve the access to services and provide possibilities for development of trade and tourism. Investments are foreseen for improvement of water and waste management systems, as well as for preservation of natural resources, biodiversity and climate change risk prevention.

One of the main challenges for Bulgaria is the development and implementation of the “good governance” concept, which includes e-governance and e-justice, quality and effective services for citizens and businesses and measures for increasing the professional and motivation level of human resources in the administration and the judiciary. Therefore, funds will be spent for improving the quality and access to administrative services, reducing the administrative burden, introducing tools and procedures for monitoring and assessment of public policies, management and development of human resources in administration, etc.

The European Agricultural Fund for Rural Development aims at enhancing the competitiveness and environmental performance of the Bulgarian agri-food sector, reducing poverty and economic downturn in rural areas, and reducing the depopulation trend by preserving agricultural employment and generation of employment outside the agricultural sector.

The European Maritime and Fisheries Fund will contribute to the Common Fisheries Policy objectives for sustainable development by supporting investments and innovation that will reduce the negative impact of fishing activities on the marine environment, support SMEs of the aquaculture and processing sector, and contribute to the development of the local economy of areas dependent on fisheries through Community-led Local Development.

In addition to identifying the strategic priorities, the Partnership Agreement contains a description of the mechanisms that will be applied to ensure the effectiveness of the ESIF, as well as a description of the integrated territorial development approaches which will be applied to their management.

Results to be achieved at the end of the programming period 2014-2020

ESI funds will assist Bulgaria in achieving its national EU2020 targets and flagship initiatives:

- R&D expenditure in relation to GDP is to increase to 1.5% (2020), increasing to 31.10% of the enterprises realized innovation activities;
- The share of RES energy in gross final energy consumption to rise to 16 % (2020) and the share of energy from renewable sources in transport to reach 10%;
- Higher energy efficiency by 25% until 2020;
- Employment among the population aged 20 to 64 years - 76% for 2020 (versus 63.5% in 2013): reduced level of unemployed youths aged 15-29 to 7% in 2020;

achieving employment rate among older persons (55–64 years of age) of 53% in 2020;

- Reducing the number of people living in poverty by 260 000 until 2020;
- Share of students dropping out of the educational system to decrease to 11% for 2020 (versus 12.5 % in 2013);
- Share of persons aged 30-34 with completed higher or equivalent education: 36% for 2020 (versus 29.4 % in 2013);
- Reduced time for providing administrative services with 50% compared to 2013.

Budget

Around EUR 7.57 billion has been allocated to Bulgaria for Cohesion policy for the programming period 2014-2020: EUR 3.57 billion ERDF, EUR 2.28 billion Cohesion Fund, EUR 1.52 billion ESF (of which EUR 55.2 million will be added to the), EUR 55.2 million for the Youth Employment Initiative specific allocation, and EUR 165.7 million for territorial cooperation. The amounts dedicated to social inclusion and fighting poverty are EUR 407 million (27% of the total ESF budget).

EUR 2.34 billion will be devoted to development of the agri-food sector and rural areas from the EAFRD. The allocation for the EMFF amounts to some EUR 88 million. Details on the allocation are given in a table below.

Significant attention is given to the territorial dimension of interventions in particular in the area of urban development and access to public services. Around 20% of the ERDF allocation may be invested in sustainable urban development actions implemented in Bulgaria mainly through Integrated Territorial Investments in several urban centres and their functional areas.

Programme architecture

Cohesion policy will be delivered by 7 operational programmes (OPs):

- 2 national OPs co-financed by ERDF (Operational programme “Regions in Growth”, Operational programme “Innovations and Competitiveness”);
- 2 national OPs co-financed by ERDF and CF (OP Environment, Operational programme “Transport and transport infrastructure”);
- 1 national OP co-financed by ESF and ERDF (Operational programme “Science and education for smart growth”);
- 2 national OP co-financed by ESF (OP "Good Governance" OP "Human Resources Development").

Moreover, there is a Rural Development Programme (financed by EAFRD) and a Maritime and Fisheries programme (financed by EMFF).

Details on allocations to operational programmes are presented in Table 2 below.

Table 1 – Allocation broken down by thematic objective and by fund

	ERDF	ESF	CF	EAFRD	EMFF	TOTAL
1. Strengthening research, technological development and innovation	488 202 394	0.00	0.00	39 805 978	0.00	528 008 372
2. Enhancing access to, and use and quality of, ICT	0.00	0.00	0.00	24 639 624	0.00	24 639 624
3. Enhancing the competitiveness of SMEs, of the agricultural sector (for EAFRD), and of the fishery and aquaculture sector (for EMFF)	592 868 242	0.00	0.00	376 025 041	40 545 554	1 009 438 837
4. Supporting the shift towards a low-carbon economy in all sectors	956 967 006	0.00	0.00	225 403 307	1 031 250	1 183 401 563
5. Promoting climate change adaptation, risk prevention and management	16 749 074	0.00	50 000 000	383 211 705	0.00	449 960 779
6. Preserving and protecting the environment and promoting resource efficiency	660 477 112	0.00	1 083 619 883	465 315 743	27 184 818	2 236 597 556
7. Promoting sustainable transport and removing bottlenecks in key network infrastructures	243 292 473	0.00	1 144 687 261	0.00	0.00	1 387 979 734
8. Promoting sustainable and quality employment and supporting labour mobility	0.00	441 038 259	0.00	171 292 433	15 180 000	627 510 692
9. Promoting social inclusion, combating poverty and any discrimination	253 160 000	407 500 275	0.00	579 571 870	0.00	1 240 232 145
10. Investing in education, training and vocational training for skills and lifelong learning	188 900 587	293 962 885	0.00	20 857 109	0.00	503 720 581
11. Enhancing institutional capacity of public authorities and stakeholders and efficient public administration	0.00	251 473 110	0.00	0.00	0.00	251 473 110
Technical assistance	167 050 724	127 653 247	0.00	52 661 156	4 125 000	351 490 127
TOTAL	3 567 667 612	1 521 627 776	2 278 307 144	2 338 783 966	88 066 622	9 794 453 120

The allocation to Youth Employment Initiative accounts for EUR 110.4 million (EUR 55.2 mil from YEI specific allocation and EUR 55.2 mil from ESF).

Table 2 - Allocation to programmes (in euros)

Programme title	ESI Fund	Total	2014	2015	2016	2017	2018	2019	2020
OP "Regions in Growth"	ERDF	1 311 704 793	163 175 740	171 533 813	180 682 571	188 196 124	195 574 110	202 777 169	209 765 266
OP "Human Resources Development"	ESF	883 476 570	109 904 260	115 533 697	121 695 693	126 756 317	131 725 635	136 577 132	141 283 836
OP "Human Resources Development" ¹	YEI	55 188 745	31 004 913	24 183 832					
OP "Science & education for smart growth"	ESF	352 619 543	43 865 781	46 112 642	48 572 063	50 591 896	52 575 286	54 511 647	56 390 228
OP "Science & education for smart growth"	ERDF	243 381 138	30 276 551	31 827 355	33 524 869	34 918 976	36 287 929	37 624 422	38 921 036
OP "Innovations & Competitiveness"	ERDF	1 181 615 516	146 992 661	154 521 817	162 763 251	169 531 640	176 177 908	182 666 597	188 961 642
OP "Transport & transport infrastructure"	CF	1 144 687 261	141 914 934	149 571 203	157 874 873	164 533 779	170 787 093	177 211 502	182 793 877
OP "Transport & transport infrastructure"	ERDF	459 761 907	57 194 263	60 123 828	63 330 534	65 964 084	68 550 125	71 074 848	73 524 225
OP "Environment"	CF	1 133 619 883	140 542 840	148 125 080	156 348 458	162 942 993	169 135 837	175 498 142	181 026 533
OP "Environment"	ERDF	371 204 258	46 177 715	48 542 997	51 132 040	53 258 328	55 346 248	57 384 672	59 362 258
OP "Good Governance"	ESF	285 531 663	35 520 065	37 339 449	39 330 951	40 966 499	42 572 537	44 140 497	45 661 665
Maritime and Fisheries Programme	EMFF	88 066 622	12 071 289	12 225 498	12 337 253	12 537 214	12 828 942	12 916 663	13 149 763
Rural Development Programme	EAFRD	2 338 783 966	335 499 038	335 057 822	334 607 538	334 147 994	333 680 052	333 187 306	332 604 216
	TOTAL	9 849 641 865	1 294 140 050	1 334 699 033	1 362 200 094	1 404 345 844	1 445 241 702	1 485 570 597	1 523 444 545

¹ Matched by the same amount from ESF.