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COMMISSION IMPLEMENTING DECISION

of 9.12.2022

**on the authorisation of the disbursement of the first instalment of the non-repayable
support for Bulgaria**

(Only the Bulgarian text is authentic)

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THE EUROPEAN COMMISSION,

Having regard to the Treaty on the Functioning of the European Union,

Having regard to Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility¹, and in particular Article 24(5) thereof,

Whereas:

- (1) According to Article 4(2) of Regulation (EU) 2021/241, the specific objective of the Recovery and Resilience Facility is to provide Member States with financial support with a view to achieving the milestones and targets of reforms and investments as set out in their recovery and resilience plans.

Council Implementing Decision of 5 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria² (the ‘Council Implementing Decision’) provides that the Union is to release instalments in accordance with the Financing Agreement conditional on a decision by the Commission, taken in accordance with Article 24(5) of Regulation (EU) 2021/241, that Bulgaria has satisfactorily fulfilled the relevant milestones and targets identified in relation to the implementation of the recovery and resilience plan.

- (2) On 31 August 2022, Bulgaria submitted a request for payment, accompanied by a management declaration and a summary of audits. The request concerned the first instalment of the non-repayable support. Pursuant to Article 24(3) of Regulation (EU) 2021/241, the Commission assessed on a preliminary basis whether the relevant milestones and targets set out in the Council Implementing Decision had been satisfactorily fulfilled. For the purpose of this assessment, the operational arrangements concluded between the Commission and Bulgaria³ in accordance with Article 20(6) of Regulation (EU) 2021/241, were taken into account.
- (3) The Commission made a positive preliminary assessment of the satisfactory fulfilment of all 22 relevant milestones and targets and, in accordance with Article 24(4) of Regulation (EU) 2021/241, provided its findings to the Economic and Financial Committee asking for its opinion on the satisfactory fulfilment of the relevant milestones and targets. In accordance with Article 25(4) of that Regulation, the

¹ OJ L 57, 18.2.2021, p. 17.

² ST 8091/22; ST 8091/22ADD 1.

³ Recovery and Resilience Facility Operational arrangements between the European Commission and Bulgaria, entered into force on 4 August 2022.

Commission provided the competent committee of the European Parliament with an overview of its preliminary findings concerning the satisfactory fulfilment of the relevant milestones and targets. The Economic and Financial Committee agreed with the Commission's positive preliminary assessment and was of the opinion that Bulgaria has satisfactorily fulfilled all the milestones and targets associated with the payment request. The Commission has taken the opinion of the Economic and Financial Committee into account for its assessment.

- (4) Section 2(1)(1) of the Annex to the Council Implementing Decision provides the relevant milestones and targets that are to be satisfactorily fulfilled for the first instalment of the non-repayable support for an amount of EUR 1 368 912 911.

Milestones and targets related to the non-repayable support:

- (5) Milestone 1 provides for the entry into force of the amendments to the Pre-school and School Education Act. Bulgaria provided a copy of the publication of the decree amending and supplementing the Pre-school and School Education Act (State Gazette No. 82/2020), and related ordinances for amendments that address all constitutive elements of the milestone: the update of the science, technology, engineering, and mathematics (STEM) core curricula and syllabus, additional distance learning opportunities, the inclusion of four-year-olds in the mandatory pre-school programme and the provision for a gradual phase-in of the mandatory inclusion. The evidence provided by Bulgaria demonstrates the entry into force of the amendments of the legislative act and that the content and objectives of the amendments are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (6) Milestone 5 provides for the entry into force of the amendments to the Higher Education Act. Bulgaria provided a copy of the publication of the decree amending and supplementing the Higher Education Act (State Gazette No. 17/2020) and of the decree adopting a list of professional directions and protected specialties as per Article 95 of the Higher Education Act (State Gazette No. 70/2021). The evidence provided by Bulgaria demonstrates the entry into force of the amendments of the legislative act and that the content and objectives of the amendments are in line with the requirements of the milestone, as the amendments introduce a revised system of accreditation of higher education institutions and the status of "Research University", introduce the exemption of students or recent graduates who sign a traineeship agreement with an employer from paying fees at state higher education institutions, provide for the update of the list of "protected specializations" based on expected labour market shortages, and introduce the possibility to conclude up to two agreements between state higher schools and state or municipal schools in the system of preschool and school education. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (7) Milestone 6 provides for the adoption of the National Map of Higher Education. Bulgaria provided a copy of the publication of the decree amending and supplementing the Higher Education Act regulating the adoption of a national map for higher education in the Republic of Bulgaria (State Gazette 17/2020). The evidence provided by Bulgaria demonstrates the entry into force of the amendments of the legislative act and that the content and objectives of the amendments are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (8) Milestone 35 provides for the entry into force of the Industrial Parks Act, which is the only milestone under the reform, aiming to create favourable conditions for entrepreneurs, investors and research institutions in industrial parks by establishing a framework for the development of industrial ecosystems. Bulgaria provided a copy of the publication of the Industrial Parks Act (State Gazette 21/2021), which regulates state support and incentives to attract investment in industrial parks, provides for a shortening of the procedures required for industrial investment, and sets the minimum standards for industrial park investments to benefit from state support. The evidence provided by Bulgaria demonstrates the entry into force of the amendments of the legislative act and that the content and objectives of the amendments are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (9) Milestone 113 provides for the establishment of the Energy Transition Commission, empowered to prepare scenarios and recommendations for a roadmap to Climate Neutrality. Bulgaria provided a copy of the publication of the decrees (Council of Ministers decree No. 108 of 31 May 2022 and Council of Ministers decree No. 204 from 29 July 2022), both amending decree No. 86 from 2020 establishing a European Green Deal Advisory Council (EGDAC). Furthermore, Bulgaria provided a copy of Order No. P-128 by the chair of EGDAC establishing a Selection Committee for the selection of the members of the Energy Transition Commission, the protocol of the meeting of the Selection Committee, the list of candidates and the selected members. The evidence provided by Bulgaria demonstrates that the Government Decision establishing the Green Energy Transition Commission has entered into force, and that the content and objectives of the decision establishing the Commission are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (10) Milestone 137 provides for legislative changes resulting in the reduction of spectrum fees, effective as of 1 January 2021. This includes a reduction of the amount of the one-time fee for radio spectrum use by 50 % and of the annual fee for radio spectrum use by 35%. Bulgaria provided a copy of the publication of the decree amending and supplementing the Tariff for the fees collected by the Communications Regulation Commission under the Law on Electronic Communications (State Gazette No. 54/2020). The evidence provided by Bulgaria demonstrates that reduction of the amount of the one-time fee for radio spectrum use and of the annual fee for radio spectrum use are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (11) Milestone 140 provides for the entry into force of the legislative changes implementing recommendations under the Common Union Toolbox for Connectivity. Bulgaria provided a copy of the amendments of the Electronic Communications Act (State Gazette No. 20/20210, a copy of the amendments to the Law on Spatial Development (State Gazette No. 62/2020), and a link to Decision No. 558 of the Council of Ministers of 6 August 2020, assigning to a Working Group set up through the same Decision No. 558 the performance of a review and an analysis of (i) the availability and capacity of electronic communication networks owned by the bodies of the executive power and of the public enterprises and of (ii) the possibility for other administrative and commercial operators to use such networks. The evidence provided by Bulgaria demonstrates that the legislative changes have entered into force and that their content and objectives are in line with the requirements of the milestone. On the

basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (12) Milestone 148 provides for the award of contracts for development of the TETRA system and radio relay network in relation to (a) the building, development and optimisation of the digital TETRA system and microwave network and (b) the delivery of terminal devices and equipment needed for adding 14 000 subscribers from all state institutions to the TETRA network. This investment aims to achieve national coverage of the TETRA system of the Ministry of Interior, increase the number of subscribers of the system from all state institutions and improve the capacity and quality of services. Bulgaria provided copies and links to the publication in the national Public Procurement Register of award decision No. 5785mpr-114 of 30 September 2022 and award decision No. 5785mpr-94 of 23 August 2022, as notified to the bidders; an extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and links to the full technical specifications published in the national Public Procurement Register; links to the lists of contractual counterparts under the two public procurement procedures published in the national Public Procurement Register and copies and links to the publication in the national Public Procurement Register of the reports of the evaluation committees regarding the assessment of the submitted applications under the two procedures. The evidence provided by Bulgaria demonstrates that the contracts have been awarded following open and competitive tenders and that their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (13) Milestone 161 provides for the entry into force of the National Plan for the Development of Combined Transport in Bulgaria by 2030. The main objective of this reform is to enhance the sustainability of the transport sector in Bulgaria by encouraging and facilitating a modal shift towards more environmentally friendly modes of transport. Bulgaria provided a copy of the adopted National Plan for the Development of Combined Transport in Bulgaria by 2030, including objectives, resources and timeline until 2030, copy of the Council of Ministers Decision No. 504 of 21 July 2022 confirming the adoption of the National Plan, as well as the link to the website where the Plan can be accessed. The evidence and explanations provided by Bulgaria demonstrate that the National Plan for the Development of Combined Transport has been adopted and that its content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (14) Milestone 169 provides for the adoption of the National Strategy for road safety in the Republic of Bulgaria for the period 2021-2030 and the Action Plan (2021-2023). This milestone is part of a reform aimed at improving road safety in Bulgaria, as well as reducing the number of victims of road accidents. Bulgaria provided a copy of Council of Ministers Resolution (No. 775/26 October 2020) adopting the National Strategy for road safety for 2021-2030 and its Action Plan for 2021-2023, copies of the adopted National Strategy for road safety and of the Action Plan. The evidence provided by Bulgaria demonstrates that the National Strategy for road safety for the period 2021-2030 and its Action Plan (2021-2023) have been adopted, and that their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (15) Milestone 199 provides for the signature of contracts for the construction of a new line section of line number 3 of the Sofia metro for a total length of three km and with

three metro stations. The investment that this milestone represents is expected to provide a clean, rapid and efficient public transport service to passengers. Bulgaria provided the following evidence: copy and link to the publication of the tenders on the website of the Sofia Metropolitan (also available at the national Public Procurement Agency portal), copy of the contract number 288 signed on 15 November 2021 between Metropolitan JSC and "HSS-MONOLITH SOFIA" DZZD for the First Separate Position, copy of the contract number 252 signed on 21 October 2021 between Metropolitan JSC and "TRACE GROUP HOLD" AD for the Second Separate Position, copy of the contract number 253 signed on 21 October 2021 between Metropolitan JSC and "J.P. GROUP" AD for the Third Separate, copy of the contract number 234 signed on 29 September 2021 between Metropolitan JSC and DZZD 'SIMENS MOBILITIES' for the Fourth Separate Position as well as a copy of the contract number 236 signed on 30 September 2021 between Metropolitan JSC and MetroConsult BG EOOD for the supervision part of the works. Bulgaria also provided copies of the examination and evaluation reports of the tenders submitted in an open procedure under the Public Procurement Act (ZOP), justifying the choice of the winning bidders. The evidence provided by Bulgaria demonstrates that the contracts have been signed in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (16) Milestone 207 provides for legislative changes strengthening the role of regional and local authorities in the preparation and implementation of integrated territorial strategies and projects financed with EU funds. The objective of the reform is to promote the direct involvement of local communities in the management of EU funds. Bulgaria provided a copy of the publication of the amendments to the Financial Resources Management of the European Structural and Investment Funds Act (State Gazette No. 51/2022) and a copy of the Regional Development Act in its consolidated version, as amended by the Financial Resources Management of the European Structural and Investment Funds Act. The evidence provided by Bulgaria demonstrates that the legislative changes have entered into force and that their content and objectives are in line with the requirements of the milestone, in particular by enhancing the direct involvement of the regional and local level in the management of EU funds and by strengthening their role in the design and implementation of integrated territorial strategies and projects. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (17) Milestone 213 provides for the adoption of a roadmap by the Council of Ministers for the implementation of judgments of the European Court of Human Rights, which aims to align the Bulgarian legal framework with the standards of the European Court of Human Rights. Bulgaria provided a copy of the roadmap adopted on 6 August 2021 and a copy of the decision by the Council of Ministers of 6 August 2021 approving the roadmap. The evidence and explanations provided by Bulgaria demonstrate that the roadmap has been adopted and that its content is in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (18) Milestone 238 provides for the adoption of the action plan by the Council of Ministers with the aim of enhancing the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing. Bulgaria provided a copy of Decision No. 672 by the Council of Ministers approving the action plan adopted on 17 September 2021, a copy of the adopted action plan, a copy of the

results of the 2019 National Risk Assessment Report, including an excerpt from the Council of Europe's National Risk Assessment Methodology and a risk treatment table containing guidance under the Structural Reform Support Programme project. The evidence and explanations provided by Bulgaria demonstrate that the action plan has been adopted and that its content is in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (19) Milestone 241 provides for the entry into force of the Rules for the Organisation and the Activity of the National Assembly, which aims to improve the quality and predictability of the legislative process within the Bulgarian National Assembly. Bulgaria provided a copy of the publication of the Rules for Organisation and the Activity of the National Assembly (State Gazette No. 109/2021). The evidence and explanations provided by Bulgaria demonstrate the entry into force of the Rules for the Organisation and the Activity of the National Assembly, and that their content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (20) Milestone 279 provides for an audit report confirming the repository system's functionalities. This is part of a broader investment to improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan of Bulgaria. Bulgaria provided the audit report, signed on 1 August 2022 by the Executive Agency 'Audit of EU Funds, the acceptance protocol signed by the contractor and the competent authority and the Unified Management Information System User Profile Management Procedure Manual. The evidence and explanations provided by Bulgaria demonstrate that the audit report confirming the repository system's functionalities is in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (21) Target 280 provides for the update of video guides to cover in full all business processes of the recovery and resilience plan (RRP) information system, which shall improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan of Bulgaria. Bulgaria provided a document containing screenshots of all 36 video guides available online and a table with an overview of the 36 video guides, a short description of what business processes they cover and links to the website where they can be accessed. The evidence and explanations provided by Bulgaria demonstrate that all business processes that users may encounter when implementing the recovery and resilience plan and working in the information system are duly covered by the video tutorials, in line with the requirements of the milestone. On the basis of the due justification provided, the target should be considered as satisfactorily fulfilled.
- (22) Milestone 281 provides for the entry into force of the act setting up the management and control system for the recovery and resilience plan by order of the Minister of Finance. This milestone is part of an investment aimed at ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan of Bulgaria in its early stage of implementation. Bulgaria provided a copy of the Council of Ministers' decree 259 of 26 July 2022 (State Gazette No. 70/2022) concerning the structures and responsibilities for the recovery and resilience plan and amending and supplementing the Council of Ministers decree No. 157 of 07 July 2022. The evidence and explanations provided by Bulgaria demonstrate the entry into force of the act setting up the management and control system for the recovery

and resilience plan and that its content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (23) Milestone 282 provides for an approved workload analysis for the National Funds Directorate and the Central Coordination Unit, and requires the provision in the amendments to the structural regulations for the Executive Agency ‘Audit of EU Funds’ indicating the entry into force of the amendments, and that the respective recommendations have been implemented. This is part of a broader investment aimed at improving the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan of Bulgaria. Bulgaria provided the following evidence: a report including the workload analysis of the National Fund Directorate, a copy of the Council of Ministers decree amending and supplementing the Rules of Procedure (State Gazette No. 49/2022) concerning the Executive Agency ‘Audit of EU Funds’, and a copy of the Council of Ministers decree No. 157 of 07 July 2022 - decision on the structures and responsibilities for the recovery and resilience plan of Bulgaria (State Gazette No. 54/2022) concerning the Central Coordination Unit. The evidence and explanations provided by Bulgaria demonstrate that the workload analysis has been performed and approved in line with the requirements of the milestone for all three bodies. They also demonstrate the entry into force of the amendments to the structural regulations for the Executive Agency ‘Audit of EU Funds’, and that the respective recommendations have been implemented in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (24) Milestone 286 provides for the entry into force of the amendments to the Social Assistance Act, which provides for the gradual increase of the minimum income thresholds for all the target groups (potential beneficiaries of the minimum income scheme) until 2024. It represents the first step in the implementation of a broader reform aimed at improving the adequacy and coverage of the minimum income scheme. Bulgaria provided a copy of the publication of the legislative amendments to the secondary legislation of the Social Assistance Act (State Gazette No. 64/2021). The evidence provided by Bulgaria demonstrates the entry into force of the amendments to the secondary legislation of the Social Assistance Act, and that the content and objectives of the amendments are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (25) Milestone 290 provides for the entry into force of the Ordinance on the Quality of Social Services, which outlines the minimum quality standards for the provision of social services. It represents the initial step in the implementation of a broader reform aimed at improving the provision of social services in Bulgaria, including long-term care, in accordance with the Common European Guidelines on the transition from institutional to community-based care, the European Strategy of Persons with Disabilities 2021-2030, and the UN Convention on the Rights of Persons with Disabilities, in particular the principles of freedom of choice and independent living. Bulgaria provided a copy of the publication of the Ordinance on the Quality of Social Services (State Gazette No. 48/2022; State Gazette No. 49/2022; State Gazette No. 50/2022). The evidence provided demonstrates the entry into force of the Ordinance on the Quality of Social Services and that the content and objectives of the Ordinance are in line with the requirements of the milestone. The description of the milestone

requires that the Ordinance outlines, *inter alia*, the architectural requirements of new facilities including that the maximum number of users per bedroom is two. According to the Ordinance, the maximum number of users for each room must be two, except for two categories of children/youth, for which this limitation only applies if possible. Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision, the Ordinance does not only apply to new facilities but also to existing ones. Therefore, this deviation does not affect the progress towards achieving the reform, which the milestone represents. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.

- (26) Milestone 315 provides for the adoption by the Council of Ministers of the National Strategy for Mental Health of the Citizens of the Republic of Bulgaria 2021-2030 and of its action plan. It represents the initial step of a broader reform aimed at upgrading the strategic framework of the healthcare sector. Bulgaria provided a copy of the decision adopting the Strategy and the action plan (decision by the Council of Ministers No. 388), a copy of the adopted National Strategy for the Mental Health of Citizens of the Republic of Bulgaria 2021 – 2030, and a copy of the adopted action plan for the implementation of the National Strategy for the Mental Health of Citizens of the Republic of Bulgaria. The evidence provided by Bulgaria demonstrates the adoption of the Strategy for Mental Health of the Citizens of the Republic of Bulgaria 2021-2030 and of its action plan, and that its content and objectives are in line with the requirements of the milestone. On the basis of the due justification provided, the milestone should be considered as satisfactorily fulfilled.
- (27) Following the fully positive assessment concerning Bulgaria's payment request, in accordance with Article 24(5) of Regulation (EU) 2021/241, the disbursement of the financial contribution for the first instalment of the non-repayable support should be authorised.
- (28) This Decision should be without prejudice to procedures relating to distortions of the operation of the internal market that may be undertaken, in particular under Articles 107 and 108 of the Treaty on the Functioning of the European Union. It does not override the requirement for Member States to implement the measures in accordance with Union and national law and, in particular, to notify instances of potential State aid to the Commission under Article 108 of the Treaty on the Functioning of the European Union.
- (29) The measures provided for in this Decision are in accordance with the opinion of the Committee established by Article 35(1) of Regulation (EU) 2021/241,

HAS ADOPTED THIS DECISION:

Article 1

Authorisation of the disbursement of the non-repayable support

The disbursement of the first instalment of the non-repayable support as laid down in Section 2(1)(1) of the Annex to the Council Implementing Decision of 5 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria for an amount of EUR 1 368 912 911 is authorised.

In accordance with the Financing Agreement concluded pursuant to Article 23(1) of Regulation (EU) 2021/241 between the Commission and Bulgaria, EUR 1 368 912 911 shall be provided to Bulgaria by means of payment to the bank account indicated in the Financing Agreement.

Article 2
Addressee

This Decision is addressed to the Republic of Bulgaria.

Done at Brussels, 9.12.2022

For the Commission
Paolo GENTILONI
Member of the Commission