



REPUBLIC OF BULGARIA
Ministry of Finance

NATIONAL REFORM PROGRAMME

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List of abbreviations used

LIST OF ABBREVIATIONS USED

AAQ – atmospheric air quality	ICT – information and communication technologies
BDB – Bulgarian Development Bank	IPA – Investment Promotion Act
CA – Customs Agency	LAS – Law for amendment and supplement
CEMC – center for emergency medical care	LMML – Law on Measures against Money Laundering
CIM/BIM – construction information modeling	LMPHM – Law on Medicinal Products in Human Medicine
CIP – Climate Investment Program	MAH – Marketing Authorization Holders
CITA – Corporate Income Taxation Act	MES – Ministry of Education and Science
CIW – Construction and installation works	MIG – Ministry of Innovation and Growth
CLLD – community-led local development	ML – money laundering
CMH – Center for Mental Health	MLSP – Ministry of Labor and Social Policy
CMP – Climate Microprojects Program	MoE – Ministry of Energy
DCM – Decision of the Council of Ministers	MoH – Ministry of Health
DCM – Decree of the Council of Ministers	MoI – Ministry of Interior
DG – Kindergartens	MRDPW – Ministry of Regional Development and Public Works
EA – Employment Agency	NAMRB – National Association of Municipalities in the Republic of Bulgaria
EC – European Commission	NAPE – National Action Plan for Employment
EE – energy efficiency	NCIPD – National Center for Infectious and Parasitic Diseases
EMC – emergency medical care	NEET's – Unemployed young people under 29, as well as young people who are neither studying nor employed
EMEPA – Enterprise for management of environmental protection activities	NEISPSE – National Electronic Information System for Preschool and School Education
EnvP – Environment Program	NFA – National Framework Agreement
EPA – socio-economic partners	NFPAN 2000 – National Framework for Priority Actions for Natura 2000
EPSR – European Pillar of Social Rights	NHIF – National Health Insurance Fund
ERDF – European Regional Development Fund	NPLE NPO – Non-profit legal entities
ESF – European Social Fund	NRRP – National Recovery and Resilience Plan
ESIF – European Structural and Investment Funds	NRA – National Risk Assessment
EU – European Union	NRP – National Reform Program
FID-SANS – Financial Intelligence Directorate within State Agency for National Security	NSSI – National Social Security Institute
FMFIB – Fund Manager of Financial Instruments in Bulgaria	NTEF – National Trust Eco-Fund
GA – Grant Agreement	OECD – Organization for Economic Co-operation and Development
GCCA –Geodesy, Cartography and Cadastre Agency	OPE – Operational Program "Environment"
GDP – Gross domestic product	OPGG – Operational Programme “Good Governance” 2014-2020
GIS – Geographic Information System	
GP- General practitioner	
Grant – Grant	
HICP – Harmonized Index of Consumer Prices	
IA- Impact assessment	

OPHRD – Operational Program "Human Resources Development"
OPIA – overall preliminary impact assessment
OPIC – Operational Program "Innovation and Competitiveness" 2014-2020
OPRGOPRD – Operational Program "Regions in Growth Regional Development"
OPSESG – Operational Program "Science and Education for Smart Growth"
PCIE – Program "Competitiveness and Innovation in Enterprises" 2021-2027
PITA – Personal Income Tax Act
PrA – Priority axis
PRSE – preschool and school education
PSSR – Program for support of structural reforms
RAWM – regional associations for waste management
RBMP – River Basin Management Plans
RDP PDR 2021-2027 – Programme for development of regions Regional Development Program 2021-2027
RES – Renewable energy sources
RHI – Regional Health Inspectorate
RISAA – Regulations for the implementation of the Social Assistance Act
RPCMA – Rules of Procedure of the Council of Ministers and its administration

RPIS – regional pre-investment studies
RRM – Recovery and Resilience Mechanism
SADFI – Specialized Administrative Directorate "Financial Intelligence"
SANS – State Agency for National Security
SB – State budget
SBRBA – State Budget of the Republic of Bulgaria ACT
SDGs – UN Sustainable Development Goals
SEN – special educational needs
SG – State Gazette
SIP – Single Information Point
SMEs – small and medium enterprises
SR – Specific recommendation
SREC SRSP – Structural Reform Support Service Programme
SUMP – Sustainable Urban Mobility Plans
TerF – terrorist financing
TP – Taxable person
UCOs – united civil organizations
UIS – Unified Information System
VAT – value added tax
VAT Act – Value Added Tax Act
WSS – water supply and sewerage
WWTP – wastewater treatment plants

INTRODUCTION

The update of the National Reform Programme (NRP) for 2022 is being prepared in the framework of the European Semester, which is temporarily adapted to the Recovery and Resilience Facility (RRF), as well as in a deteriorating and unpredictable economic environment due to geopolitical risks .

The document is in line with the Annual Sustainable Growth Strategy for 2022 and the Alert Mechanism Report, which set the beginning of the semester for 2022. The focus of the NRP is on the areas of the Country Report for 2020 and on the progress in addressing the Country Specific Recommendations (CSRs) of the Council in 2020. This is due to the fact that the European Commission (EC) did not propose a CSRs on structural policies in 2021 and no country reports for 2021 were prepared, as well as due to the planned later publication of the report on Bulgaria for 2022, after the official sending of the NRP – in May. The update of the NRP for 2022 has been developed in accordance with the medium-term budget forecast for the period 2023-2025 and with the Convergence Programme of the Republic of Bulgaria (2022-2025). The commitments and measures set in the programme are in line with the implementation of the principles and rights of the European Pillar of Social Rights (ECSC). Measures in implementation of the UN Sustainable Development Goals (SDGs) are also presented.

The National Reform Programme consist of four sections. The first one provides a brief overview of the macroeconomic expectations. The second section includes measures in response to the recommendations and gaps identified in the Country Report for Bulgaria for 2020. The third section presents an overview of the progress on the UN SDGs. For each policy area, specific information on the measures through which the policy commitments and objectives will be implemented during the current semester is presented in tabular form. The connection between the priorities in the financing from the European Structural and Investment Funds for the period 2021-2027 with the identified challenges in the Country Report for Bulgaria for 2020 and the CSRs for 2020 is briefly presented in the last section.

1. MACROECONOMIC CONTEXT AND SCENARIO

Macroeconomic prospects for the period covered by the program

In the period 2015-2019, the Bulgarian economy developed at relatively high growth rates (on average 3.6%), without accumulating macroeconomic imbalances. The country's fiscal and external balances were stable. The prudent fiscal policy pursued by Bulgaria allowed the accumulation of budget surpluses, which provided the necessary space for the implementation of anti-crisis measures and the opportunity to finance the budget deficit at a favorable price in times of uncertainty.

2020 was marked by an unprecedented global pandemic and economic crisis caused by the SARS-CoV-2 virus and its COVID-19 disease. The macroeconomic indicators in 2020 showed a relatively moderate impact of the crisis in Bulgaria. Gross domestic product (GDP) fell by 4.4% in real terms, compared with a decline of 5.9% for the EU. In 2021, economic recovery was under way in the EU, but with large differences between countries, and the level of GDP from 2019 not being reached. In the previous year, Bulgaria almost recovered to the pre-pandemic GDP level, with a growth of 4.2%. On the demand side, private investment in fixed capital and exports of services did not reach the pre-crisis levels.

The positive contribution of government consumption and investment to GDP growth has increased significantly over the past two years. Budget expenditures related to the pandemic averaged about 4% of GDP in 2020 and 2021. Despite the fiscal support for business, for public authorities involved in combating the spread of the COVID-19 pandemic and its consequences, and for households, Bulgaria's public finance indicators remained strong compared to a number of EU countries. The budget balance on an accrual basis was a deficit of about 4% annually. Excluding pandemic-related costs, the budget balance would be close to 0%.

The invasion of the Russian Federation in Ukraine has further complicated the macroeconomic environment in the world and especially in Europe. Real GDP growth in the EU will slow down due to higher prices, reduced exports to the Russian Federation and Ukraine, postponement of some investments due to high uncertainty, delays / difficulties in the supply of certain raw materials. The hostilities in Ukraine has changed the economic prospects for Bulgaria, as well. Lower GDP growth is expected in 2022 and 2023, at 2.6 and 2.8%, respectively.

The conflict will affect the economy by limiting the purchasing power of households due to higher inflation, lower external demand, which slows exports, and increased uncertainty, which will result in postponement in private investment. Public capital expenditures are expected to support growth in investment. Public consumption is also projected to have a positive contribution to GDP growth.

The influx of refugees, which is already a fact, is assessed as a positive effect on the economy. It is expected to have a positive impact on employment growth in Bulgaria mainly in 2022. The inflow of employees, as well as the increase in the number of employees among residents determines the growth of employees in 2022 by 1.7%. The unemployment rate will follow a downward trend throughout the forecast period, reaching 5.0% in 2022 and 4.2% in 2025.

In the medium-term, nominal wage dynamics will remain strong, but projections for their real growth have been revised downwards taking into account inflation. In 2022, the nominal growth of compensation per employee is estimated at 8.1% and reflects the expected higher demand for labour, rising minimum incomes and some second round effects of high inflation in the country. Another factor that is expected to have a limiting effect on wage growth is the inclusion of Ukrainian refugees in the labour market. They are expected to engage in activities with relatively lower than average economic productivity and wages, which, other things being equal, will lead to lower average income growth.

The overall increase in consumer prices will continue to accelerate until the third quarter of the year, after which it will begin to slow down. Average annual inflation (according to the HICP) will reach 10.4% in 2022. In the period 2023-2025, prices of all major commodities are expected to decline. Besides, the observed second round effects will deplete, and thus the inflation rate in the country is also expected to continue to decelerate to 5.1% in 2023 and 2.3% in 2025.

In line with the expected deterioration of the economic situation and the increased uncertainty, the growth in claims on enterprises will slow down to 4.6% y-o-y at the end of 2022, and that of households – to 9.9%. Despite the projected slowdown in loans for house purchases, in 2022 the growth rate will remain relatively high, as real estate purchase is seen as a major alternative form of investment in an environment of low interest rates and high inflation.

The military conflict in Ukraine has introduced new uncertainty into the economic outlook, and the risks to the macroeconomic forecast are mainly related to higher inflation and disruptions in production both in the country and in major trading partners. This may be reflected in limited exports, deteriorating financial performance of companies, rising unemployment, lower investment activity. The risk is still posed also by the epidemic situation, the probability of a new variant of the virus and the introduction of restrictions.

There are also positive risks to the forecast. Easing geopolitical tensions could lead to a significant slowdown in inflation and thus have a positive effect on economic activity. The uncertainty caused by the conflict may dissipate faster than expected without the expected significant slow down in consumption and investment. If the conflict is resolved in the short term, foreigners visits in Bulgaria might increase at a higher pace during the summer tourist season, supporting GDP growth.

2. POLICY RESPONSE TO MAJOR ECONOMIC CHALLENGES

Implementation of the Council's specific recommendations from 2020

Specific Recommendation 1

Take all necessary measures, in line with the general escape clause of the Stability and Growth Pact, to effectively address the COVID-19 pandemic, sustain the economy and support the ensuing recovery. When economic conditions allow, pursue fiscal policies aimed at achieving prudent medium-term fiscal positions and ensuring debt sustainability, while enhancing investment. Mobilise adequate financial resources to strengthen the resilience, accessibility and capacity of the health system, and ensure a balanced regional distribution of health workers, matching population needs.

Policy summary

Fiscal policy in the medium term is aimed at maintaining the sustainability and predictability of the budgetary framework. The general government deficit is projected to consolidate by the end of the period, with the negative budget balance decreasing for the period 2023-2025. In 2022, the budget balance is expected to be negative at 5.3% of GDP. In the medium term, a deficit of 2.9% of GDP in 2023, 2.8% in 2024 and 2.4% of GDP in 2025, respectively, is expected. Taking into account the impact of temporary revenue and expenditure measures related to preventing the spread of COVID-19 in the country and limiting the effects of the crisis, the negative balance of the General Government sector for 2023 is planned to be 2.7%.

According to preliminary NSI data for 2021, the measures in response to the spread of the COVID-19 pandemic (including national co-financing) amount to BGN 6.1 billion (or 4.6% of GDP), including BGN 2, 7 billion for measures to support households, BGN 1.4 billion for measures to support business, BGN 1.9 billion for measures for government bodies involved in activities related to combating the COVID-19 pandemic and its consequences, as well as BGN 0.1 billion for national co-financing of measures related to COVID-19.

In 2022, measures related to COVID-19 are projected to amount to BGN 3.1 billion on an accrual basis or 2.1% of projected GDP, of which BGN 1.6 billion for measures to support households, BGN 0.9 billion for business support measures, BGN 0.6 billion for measures for government bodies involved in activities related to combating the COVID-19 pandemic and its consequences.

Given the activated clause for derogation from the EC Stability and Growth Pact, steps have been taken to refine the regulations in the field of fiscal rules against the background of global challenges to the economy and the budget. At the end of 2020, amendments to the Public Finance Act were adopted, which allow exceeding the limits for the deficit indicators under the consolidated fiscal program and for the general government sector, as well as the annual growth rate of expenditures relative to potential GDP. unexpected circumstances. Another change is related to the exclusion from the scope of the maximum amount of expenditures under the consolidated fiscal program (40% of GDP) of expenditures on EU funds accounts, as well as on other international programmes and contracts with a regime of accounts of funds from the EU and related national co-financing.

The unprecedented situation of limiting the spread of COVID-19 worldwide has necessitated the adoption of urgent tax policy measures to support business and employment. Some of these measures, such as the extended deadline for filing annual tax returns under the Corporate Income Tax Act (CITA), have become permanent through changes in the relevant tax laws. Another part retain the character of anti-crisis measures, being implemented in 2022 as well. At the same time, for the period the main policy priorities, related to improving revenue collection, preventing opportunities for evasion and non-payment of taxes and social security contributions and reducing the administrative burden and costs for businesses and citizens remain.

In order to provide sufficient financial resources for strengthening the Resilience , accessibility and capacity of the health system through the budgets of the Ministry of Health (MoH) and the National Health Insurance Fund (NHIF), the funds for the health sector were increased. Based on this, resilience of the financing of the activities outside the scope of the compulsory health insurance will be ensured and normative changes will be made, which will expand the access of the population to health services paid for by the NHIF.

The Ministry of Health uses the opportunities for EU funding through the implementation of projects to support:

- the national health system to respond adequately in times of crisis;
- the ability of the health system to respond quickly and effectively in emergencies;
- providing prevention and support to medical and non-medical staff who are the first to face the challenges of the global pandemic crisis related to the spread of COVID-19;
- overcoming the consequences of the pandemic.

The main components of the drug policy include the development, implementation, monitoring and strengthening of legislation aimed at ensuring the distribution of only affordable, effective and safe medicinal products. In response to the proliferation of COVID-19, additional measures have been taken at the national level to secure funding for medicinal products for the treatment of COVID-19 with public funds and for the organisation providing therapy.

For a more balanced geographical distribution of medical specialists, it is planned to create conditions for achieving a more even distribution of medical institutions that can train students and graduates. The Ministry of Health also supports initiatives of higher education institutions to open structures in the country in which to train nurses and other medical professionals. A more even distribution of training institutions will also lead to a more even distribution of medical professionals.

The Operational Program " Regions in growth " 2014-2020 (OPRG) continues the implementation of the major project to support the emergency medical care system in the country, as well as additional measures to improve the capacity to respond to crises in the health system, taken in response to the pandemic. As a result, access to quality emergency medical care will be provided for all persons located on the territory of Bulgaria, including EU citizens, as well as capacity for successful coping and timely response to emerging crises, including improving the quality of medical services in hospital and pre-hospital care.

An amendment to the OPRG, approved by the EC in June 2020, redirected additional amounting to BGN 40.4 million to the priority axis "Regional Health Infrastructure" to help the national health system respond adequately to the crisis. The project of the Ministry of Health BG16RFOP001-4.003-0001 "Fight against COVID-19" is currently being implemented.

Another amendment to OPRG 2014-2020 was initiated in accordance with the Decision of the Council of Ministers (DCM) № 573/2020, providing for an additional allocation of funds for OPRG in the amount of EUR 66,095,345 under REACT-EU. A new priority axis "Support to the Health System for respond to crises" is included in the programme in order to overcome the consequences of the COVID-19 pandemic.

Support for the health care system will continue with the new Programme for development of regions 2021-2027 (PDR), which will support the ongoing policy of reform in the sector through investments in outpatient and hospital care related to creating equal opportunities for the population in the individual regions for access to both prevention and care, as well as timely and quality treatment.

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

According to the legislation, the health insurance in Bulgaria is obligatory and guarantees the access of the insured persons to medical care through a package of health activities determined by type, scope and volume.

Apart from the scope of compulsory health insurance, access of the population to health services is guaranteed by financing from the budget of the Ministry of Health a number of health activities provided to those in need regardless of their health insurance status – emergency medical care, medical care during pregnancy. and childbirth, long-term treatment of premature and disabled children, mental health, etc., which are defined as state responsibility.

In 2021, the so-called "COVID zones" were opened in the outpatient care facilities, and currently more than 119 COVID zones operate in the country. They serve all those in need, regardless of their health insurance status, and patients who have or suspect symptoms of infection can visit the COVID area at their discretion or after consultation with their GPs.

In order to deal with the waves of Covid-19, the therapy of Bulgarian patients, regardless of their health insurance status, with medicinal products used for the treatment of COVID-19 is provided. In this regard, the necessary organization has been set up to provide completely free of charge to patients medicinal products for the treatment of COVID-19.

In response to the ongoing challenges in the field of healthcare, the support for the healthcare system under OPRG 2014-2020 continues and investments in health infrastructure and equipment are envisaged within the framework of the PDR 2021-2027.

Direct payments from patients in Bulgaria are the largest in the EU

The annexes to the National Framework Agreement (NDA) for medical activities for the period 2020-2022, which have increased the prices of all clinical pathways, have a serious impact on reducing patients' direct payments.

Improving access to innovative medicines and reducing direct payments from patients should be seen as a multi-faceted issue, both in terms of the period in which a medicinal product, medical device or technology reaches the patient and can be included in the treatment. process, as well as in terms of therapeutic effectiveness and the potential financial burden on the public fund and the patients they carry. In this regard, the process of health technology assessment is essential.

Drug regulation in Bulgaria is formed by the multifaceted action of various factors related to the specifics of the health system and the processes and regulations taking place within the EU. National legislation in the field of pricing and reimbursement of medicinal products is in line with EU law, introducing all the requirements of the legislation in force in the Member States. However, controlling and increasing public and private spending on medicines is a process that requires consistent action to monitor, analyze and strengthen legislation in this area, as well as increase the size of the health budget and GDP.

At present, there is a normative possibility for medicinal products to be prescribed under both commercial and international non-patent names. For medicinal products that are paid in full or in part by the NHIF, the possibility of making a generic replacement is provided, if this is previously noted by the attending physician in the prescription form.

It is possible for patients not to pay extra for medicines that are covered by the NHIF at 100%, as doctors prescribe the so-called reference product (with the lowest price) in a group of identical medicines.

To strengthen the resilience , accessibility and capacity of the health system, one of the underlying measures in the pandemic plan prepared by the Ministry of Health to address the waves of Covid-19 is to provide therapy to Bulgarian

patients with drugs used to treat COVID-19. In this regard, the necessary organisation has been set up to provide completely free of charge to patients medicinal products for the treatment of COVID-19.

The state budget provides funds for diagnosis and treatment in medical institutions for hospital care of persons who have no income and / or personal property to ensure their personal participation in the health insurance process. It should be noted that the amount of the compulsory health insurance contribution is 8% of income and is lower than in most Member States. The user fee for the health insured is also a fixed amount (1.5 €, ie single fixed fee for a service; flat rate) and does not depend on the value of the services used. The hospital treatment fee (less than € 3 per day) is also fixed and is paid for no more than 10 days a year, regardless of the length of hospital stay.

It is especially difficult for the poorest to afford the health care they need.

In 2019, the Ministry of Health took measures to improve the conditions for acquiring the specialty "General Medicine" in order to stimulate interest. Prior to the adoption of these measures, the number of specialists in General Medicine under the age of 35 was 66 for the period from 2015 to the first half of 2019 (ie 4.5 years). After the change in the legislation, for the period from the second half of 2019 to the end of 2021 (ie for 2.5 years) the number of specialists in "General Medicine" under the age of 35 has already increased more than twice (136).

There are more specialized doctors in Bulgaria than in many other Member States, while the country ranks penultimate in the number of nurses.

As the regional disparities in the provision of the population with medical specialists follow the territorially disproportionate distribution of the population as a whole, the measures within the competence of the Ministry of Health are aimed at creating conditions for achieving a more even distribution of medical institutions that can train students and graduates. (training bases), which in turn will lead to a more even distribution of medical professionals in the country. Facilitating the process of obtaining approval from medical institutions to carry out training activities for students and / or trainees (while maintaining the objective of receiving approval only from medical institutions that could provide training) will lead to more training bases in smaller settlements, which in turn will contribute to reducing the concentration of medical professionals in a small number of cities and their more balanced geographical distribution. The Ministry of Health also supports initiatives of higher education institutions to open structures in the country in which to train nurses and other medical specialists. The larger number of training institutions for nurses will lead to an increase in the number of students in this specialty.

In the period 2019-2022, a number of regulatory changes were made in order to expand the package of health activities paid for by the NHIF, creating opportunities for more diagnostic and treatment activities to be performed in outpatient care, including research for early diagnosis of cancer , diabetes, diseases of the digestive system, etc.

With the approved Methodology for determining the amount paid by the NHIF to providers of medical care, dental care and medical diagnostic activities for work under adverse conditions in connection with the declared epidemic situation, remuneration was provided for all medical specialists, regardless of the limited activity of medical institutions due to the crisis with COVID-19.

Ensuring the financial resilience of the healthcare system is a priority goal for Bulgarian state policy. To this end, a number of measures have been taken in 2020, 2021 and 2022, including to increase public spending in the health sector. Health policy is aimed at improving the efficiency and satisfaction of citizens with the functioning of the sector. Programmes and measures are envisaged to support the implementation of the EC Joint Undertaking to Bulgaria to improve the cost-effectiveness of the healthcare system, as well as access to health services, including by reducing direct payments by patients and overcoming the shortage of medical professionals

Hospitals continue to be at the center of the Bulgarian healthcare system.

For 2022 the funds under the Healthcare function in the consolidated fiscal programme have increased by nearly BGN 1,307.2 million compared to the updated programme for 2021, which is an increase of 18.6% compared to 2021 and reach a relative share 5.8% of GDP. The increase in the NHIF budget ensures the expansion of the capacity and scope of preventive examinations to assess health risk factors and early diagnosis of socially significant diseases, which are most often the cause of disability and mortality.

With the amendments to the Medical Establishments Act and Ordinance № 3 of 2019 on medical activities outside the scope of compulsory health insurance, for which the MoH subsidizes medical establishments, the scope of medical establishments that can receive subsidies from the MoH has been expanded, as well as the scope of the medical activities subsidized by the Ministry of Health, including the activities related to the treatment of infectious diseases. The funds are for ensuring the capacity of medical institutions to respond to the spread of COVID-19, including by increasing the salaries of medical staff. The ordinance provides for an increase in the remuneration of the medical staff in the medical establishments in hard-to-reach and remote areas, as well as in the medical establishments for psychiatric care.

The effectiveness of the health care system in Bulgaria remains low in comparison to other Member States

The number of hospitalizations has decreased in recent years, with a total of 2.3 million in 2015, 2.4 million in 2019 and 1.9 million in 2020. The number of hospitals in Bulgaria for The period 2015-2021 has also decreased – from 348 to 342. This is due to the regulations introduced in 2016 related to the National Health Card, which defines the needs of the population for types of medical activities by levels of competence. Although hospital beds are increasing, in terms of their usability there is a steady downward trend (68% in 2015; 65% in 2018, 53% in 2020 and 5321 in the first half of 2021). – 56% with an average stay of 5.1 days), which is due to the created opportunities for more activities in outpatient care.

There is a tendency to reduce the number of people diagnosed with acute cerebrovascular disease and acute myocardial infarction, and this trend is especially visible in strokes. Those hospitalized with stroke in 2021 were 42,822, compared to 46,072 in 2020 and 55,384 in 2019. There is a tendency to decrease in those hospitalized with acute myocardial infarction, which in 2021 were 9,787, in 2020 – 9,965, and in 2019 – 11,488. The number of hospitalizations due to neoplasms also decreased, as in 2020 they were 149,788, compared to 172,549 for 2019. The structure of causal mortality will change in 2020, with 60.6% of deaths due to diseases of the circulatory system, compared to an average of 65% for the period 2015-2019, and 14.9% due to tumors, with an average of 16% for period 2015-2019.

Table 2-1: Measures addressing SR 1, part of Annex 1

Policy area	Name of the measure	Information on measures taken and planned					Expected effect, incl. budget	Effect indicators with current and target value
		Brief description of the measure	Starting date	Current status (as of April 2022)	Forthcoming stages in the implementation of the measure until the deadline for its implementation (after April 2022)	End date		
1	2	3	4	5	6	7	8	9
Take all necessary measures to deal effectively with the pandemic, sustain the economy and support the subsequent recovery	Reduction of the value added tax (VAT) rate from 20% to 9% for certain supplies of goods and services	Reduction of the VAT rate from 20% to 9% for the supply of restaurant and catering services, books, food suitable for babies or young children and baby diapers and similar hygiene items, as well as for the consumption of beer and wine in drinking establishments, for the supplies of services for the use of sports facilities and for the supply of general tourist service in the cases under Art. 136 of the Value Added Tax Act (VATA)	01.01.2022	With the Law for amendment of the VAT Act (SG, issue 111 of 31.12.2021), the term for application of the reduced rate of 9 per cent for the above-mentioned goods and services has been extended until 31 December 2022.	Application of the reduced rate in accordance with the current provisions of the VAT Act.	31.12.2022	Supporting businesses to overcome the effects of the crisis in certain sectors	Average monthly number of suppliers applying a reduced tax rate
	Exemption from VAT on supplies of goods and services related to COVID-19	Exemption with the right to deduct a tax (i.e. by applying a zero tax rate) to the following supplies taxable on the territory of the country: 1. The supply of vaccines against COVID-19 and services directly related to these vaccines; 2. The supply of medical devices for in vitro diagnostics of COVID-19 and the services directly related to these devices. These exempt supplies also include intra-Community acquisitions (purchases from other EU Member States).	01.01.2022	The measure is applied in accordance with the current provisions of the VAT Act.	Application of the measure in accordance with the current provisions of the VAT Act.	31.12.2022	Supporting businesses to overcome the effects of the crisis in certain sectors	Average monthly number of suppliers applying the exemption
	Exemption from VAT and customs duties on imports of certain medical supplies	Exemption from VAT and customs duties on imports of certain medical goods needed to combat the effects of the COVID-19 pandemic, in accordance with Decision 2020/491 of 03.04.2020 of the EC and on the basis of the adopted Decree of the Council of Ministers (CoM) № 80 of 2020, supplementing the DCM № 75 of 2007.	01.01.2022	Actions have been taken to extend the duration of the measure. In this regard, the EC adopted Decision (EU) 2021/2313 of 22 December 2021, in connection with which the requesting Member States, including the Republic of Bulgaria, could apply exemption from import duties and exemption from VAT on imports granted for goods necessary to combat the effects of the COVID-19 pandemic in 2022, which will apply to goods imported by 30 June 2022.	Providing of summary information by the Customs Agency on the implementation of the measure by 31.10.2022.	30.06.2022	Providing a sufficient amount of goods needed in the fight against coronavirus	Nature and quantity of the various goods exempt from import duties and VAT according to Art. 1 of Decision № (EU) 2020/491

1	2	3	4	5	6	7	8	9
	Increased amount of tax relief for children and children with disabilities	Increasing the amount of tax relief for children and for children with disabilities for income earned in 2021. The change increases the amount of tax relief for children under Art. 22c of the Personal Income Tax Act (PITA), as of the amount of the annual tax bases under Art. 17 of the Personal Income Tax Act, the following amounts are deducted: BGN 4,500 – for one minor child; BGN 9,000 – for two minor children; BGN 13,500 – for three or more minor children. The amount of the tax relief for children with disabilities under Art. 22d of the Personal Income Tax Act is also increased, as the sum of the annual tax bases under Art. 17 of the Personal Income Tax Act is reduced by BGN 9,000 for raising a child with 50 and over 50 per cent type and degree of disability, determined by an effective decision of a competent authority. The measure will be applied to the income earned in 2022 as well.	01.01.2022	Use of the tax reliefs in increased amount, with submission of the annual tax return under art. 50 of the Personal Income Tax Act for income earned in 2021	Use of the tax reliefs under art. 22c and Art. 22d of the Personal Income Tax Act in increased amount, at the employer – for acquired in 2022 income from employment .	31.12.2022	Supporting households to overcome the consequences of the crisis	Number of TPs that used the tax reliefs
To mobilize sufficient financial resources to strengthen the Resilience , accessibility and capacity of the health system	Ensuring financial resilience of the healthcare system and improving the population's access to health services	Expanding the volume and scope of activities financed by the NHIF by increasing the budget of the NHIF	2020	<p>Annual increase of the expenditures under the budget of the National Health Insurance Fund, as for 2022 the budget is increased by 27.7% compared to 2020.</p> <p>Annexes to the National Framework Agreement for Medical Activities have been signed in order to increase the prices of clinical pathways, including the treatment pathways of COVID-19.</p> <p>Remuneration is provided for the period of the epidemic situation to all medical specialists, despite the limited activity of medical institutions due to the crisis with COVID-19.</p> <p>In 2021, an annex to the NFA was signed, which provides funding, in addition to the PCR test, for rapid antigen tests performed as part of hospital treatment.</p> <p>COVID zones for diagnosis and treatment of patients with mild to moderate coronavirus infection have been established in outpatient facilities, regardless of their health insurance status.</p>	Ensuring the implementation of the R&D 2020-2022	2022	<p>NHIF budget for 2020 – BGN 4.7 billion.</p> <p>NHIF budget for 2021 – BGN 5.7 billion.</p> <p>NHIF budget for 2022 – BGN 6.05 billion.</p>	<p>Increase of the NHIF budget for 2022 by 27.7% compared to 2020</p> <p>Concluded 3 annexes to the NFA 2020-2022 to increase the prices of clinical pathways and to ensure the payment of covid tests.</p> <p>Adopted Methodology for determining the amount paid by the NHIF to providers of medical care, dental care and medical diagnostic activities</p> <p>Adopted Rules on the terms and conditions for</p>

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								payment of funds to the providers of hospital medical care for additional remuneration of staff for the duration of the declared epidemic emergency 119 COVID zones created
	Mechanisms for financing medical activities	Improving the mechanisms for financing medical activities outside the scope of compulsory health insurance	2020	<p>Adopted Law for amendment and supplementation (AMA) of the Medical Establishments Act (SG, issue 71 of 11.08.2020), which provides a normative possibility for subsidizing medical establishments with structures for providing medical assistance in case of epidemic spread of infectious diseases.</p> <p>Adopted two Ordinances amending Ordinance № 3 of 2019 on medical activities outside the scope of compulsory health insurance, for which the Ministry of Health subsidizes medical institutions, and on the criteria and procedure for subsidizing medical institutions (SG, issue 50 of 25.09.2020 and the State Gazette (SG). No. 71 of 27 August 2021), which expands the scope of subsidized activities and medical institutions, including activities in hard-to-reach places.</p>	Ensuring the implementation of activities outside the scope of health insurance, financed through the budget of the Ministry of Health	2022	Contracts with 165 medical institutions for hospital care. Improved access of the population to medical activities	Increase of the budget of the Ministry of Health for activities under Ordinance № 3/2019 by BGN 25 million.
	Early diagnosis and treatment	Improving the opportunities for early diagnosis and treatment through changes in regulations	2022	Preparation of a draft Ordinance amending Ordinance № 8/2016 on preventive examinations and medical examinations and Ordinance № 9/2019 on determining the package of health activities guaranteed by the NHIF budget	Conducted public discussion and promulgation of the ordinances. Conclusion of an annex to the NFA 2020-2022.	2022	Extended volume and scope of preventive examinations	34% increase in the budget of the National Health Insurance Fund for outpatient care and medical diagnostic tests for 2022 compared to 2021
	Ensuring equal access to safe, quality and effective medicines	Ensuring the therapy of Bulgarian patients with medicinal products used for the treatment of COVID-19	2021	<p>Provided medicinal product against COVID-19 for the specific treatment of coronavirus infection Veklury (INN Remdesivir).</p> <p>Monoclonal antibodies provided: The combination of Casirivimab and Indevimab 120 mg</p>	<p>Conclusion of a framework agreement for the provision of the medicinal product Veklury (INN Remdesivir)</p> <p>Provision of medicinal products:</p>	2022	Provided funds in the Law on the State Budget of the Republic of Bulgaria (LSBRB) in the amount of	Provided access to medicinal products used for the treatment of COVID-19 in the 28 areas of the country – 100%.

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				<p>/ ml concentrate for solution for infusion, and Regkirona (INN Regdanvimab).</p> <p>Procedure for delivery of the medicinal product Lagevrio (Molnupiravir)</p> <p>Provided an operational reserve of medicinal products used to treat systemic inflammatory response and prothrombotic conditions resulting from COVID-19 in hospitalized patients.</p>	<p>Kineret 100 mg / 0.67 ml, (INN Anakinra)</p> <p>Paxlovid (PF07321332; Ritonavir)</p>		BGN 131.8 million.	
	Ensuring equal access to safe, quality and effective medicines	Provision of medicinal products and medical devices for the treatment of Bulgarian citizens for diseases outside the scope of compulsory health insurance	2021	<p>Application of a mechanism for negotiating and concluding framework agreements for medicinal products provided under Ordinance № 34/2005, for which the value paid from the budget of the Ministry of Health, is calculated by grouping in which medicinal products of other MAHs do not participate.</p> <p>As a result of the conducted negotiations for the medicinal products intended for the treatment of infectious diseases (HIV infection and tuberculosis), which comply with the provision of Art. 262, para. 14 of the Law on Medicinal Products in Human Medicine (LMPHM) framework agreements have been concluded and savings of financial resources of a total value of BGN 2,055,535.87 have been achieved according to the specification for supply of medicinal products for 2022. under Ordinance № 34/2005</p>	Conducted procedures and concluded contracts under the Public Procurement Act for the provision of medicinal products and medical devices for the treatment of Bulgarian citizens for diseases other than compulsory health insurance.	2022	Created conditions for ensuring financial stability	Ensuring a sustainable environment Concluded framework agreements for medicinal products provided under Ordinance № 34/2005 – amount of saved financial resources for 2023; Concluded contracts for the supply of medicinal products for 2022 under Ordinance № 34/2005 on all separate items of the specification – 100%.
	Improving pharmaceutical care	Ensuring better access to pharmaceutical care by creating a National Pharmacy Card	2020	Established working group for preparation of methodology under Art. 227b, para. 5 of the LMPHM.	Creation of a Methodology for making a Regional Pharmacy Card.	2022	Created model and order in which the regional pharmacy cards will be made in response to the needs of the population	Ensured optimal access Identification of areas and settlements with real shortages. Number of created regional pharmacy cards – 28; National pharmacy card – 1 pc.

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	Improving the resilience of the health system and its ability to respond effectively to emergencies	Provide prevention and support to medical and non-medical staff who are the first to meet the challenges of the global pandemic crisis related to the spread of COVID-19 by providing additional remuneration and personal protective equipment.	2020	<p>Implementation of project BG05M9OP001-1.099-0001 "Support to workers in the health care system in conditions of threat to public health from COVID-19", funded by the Operational Program "Human Resources Development" (OPHRD) 2014-2020</p> <p>Additional remuneration was paid to medical and non-medical staff from hospitals, medical diagnostic laboratories, regional health inspectorates (RHI), emergency medical care centers (EMC), mental health centers (MHC), the National Center for Infectious and Parasitic Diseases (NCIPD), health mediators, carried out active work on the first line in the conditions of COVID-19, worth BGN 237 million for 161,792. remuneration.</p> <p>Disposable protective masks for the medical establishments and NCIPD, RHI and CEMC and protective masks of respirators type, as well as disposable protective overalls worth a total of BGN 499,997 were delivered.</p>	Development of a web-based digital application for training of medical staff regarding the diagnosis and treatment of COVID-19	March 2023	HRD OP - BGN 237.8 million	Number of trained persons through the digital application – 4,000
	Improving the resilience of the health system and its ability to respond effectively to emergencies	Providing additional medical equipment, protective clothing and equipment for the needs of municipal and departmental medical institutions.	April 2022	<p>Implementation of project BG16RFOP001-4.003-0001 "Fight against COVID-19" funded by OPRG 2014 – 2020.</p> <p>Under the project, were delivered 453 pulmonary ventilators; 6 pcs. machines for automatic extraction PCR tests for proving Covid-19 were purchased and handed over for operation at 5 laboratories in Sofia and the country;</p> <p>; GeneFinder™ COVID-19 Plus RealAmp kit and ExiPrep Dx viral DNA / RNA kit detection and extraction tests were provided. Personal protective equipment was delivered and distributed to the medical and non-medical personnel of the first line in the fight against COVID-19 – protective face masks, goggles, socks, disposable protective suits, etc. medical consumables for the needs of the medical and non-medical staff on the first line with a total value of BGN 39,248,779.</p>	Delivery of additional medical equipment intended for the needs of the municipal and departmental medical establishments. The purchase of laboratory equipment and Real-Time PCR for COVID-19 detection and extraction is forthcoming.	April 2022	OPRG – BGN 40.4 million.	<p>Number of supported sites in the health care system with improved capacity for crisis response – 40;</p> <p>Number of pulmonary ventilators delivered – 453</p>
	Establishment and implementation of the National Health	Improving the quality and efficiency of health care through the introduction of the National Health Insurance Fund and	2020	The project is currently underway.	Implemented all activities and functionalities of the project, including:	December 2022	The project is financed from the state	NHIS established

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	Information System (NHIS)	real access of the patient to information about his own health. Reducing the time for patient and citizen care, improving the quality of administrative services in health care and reducing financial costs. Achieving a significant change in the quality of healthcare through the use of new health technologies in the field of e-health		In July 2020, a contract was signed for the development and implementation / implementation of the NHIF. The basic functionalities of the NHIF have been implemented and implemented, which provide access to the electronic medical file, for issuing an electronic prescription (white and bl. MH-NHIF №5 and 5A) and for issuing a referral for medical diagnostic activities. MH-NHIF №4 for research for covid-19). 15 electronic administrative services (EAU) have been implemented and implemented, the most important of which are aimed at the registration of medical institutions.	e-review e-hospitalization upgrade of e-recipe module with yellow and green recipe upgrading of the e-direction module with the direction for consultation, highly specialized activity, etc., incl. and coverage of all medical diagnostic activities upgrade of the module with EAU development, upgrading and / or integration of basic registers in the healthcare sector, necessary for the work of the NHIF		budget by BGN 9.9 million with VAT	
Ensuring a balanced geographical distribution of health professionals	More even distribution of the training institutions in the country where the training of medical specialists is conducted	Creating conditions for a more even distribution of medical institutions that can train students and graduates	2021	Published on 24.08.2021 Ordinance amending Ordinance № 8 of 2019 on the requirements for medical institutions that provide training to students and graduates, which created conditions for more medical institutions to be able to apply for approval for training of students and / or graduates	The next stages of the procedure are to be implemented	2022	More even distribution of the training institutions in which the training of medical specialists is conducted on the territory of the country	Prepared Ordinance amending and supplementing Ordinance № 8 of 2019 on the requirements for medical institutions that provide training to students and graduates
Improving access to health services	Modernization of the emergency medical care system (EMC)	Implementation of a major investment project "Support for the development of the emergency medical care system" – purchase of specialized vehicles and equipment, construction and installation works.	2018	46 contracts have been concluded for construction and installation works, which cover 105 sites – new construction and reconstruction, all medical equipment of non-diagnostic type has been delivered, and put into operation for emergency departments . 234 pcs. refrigerators for medicines, 358 ambulances were delivered	Implementation of the planned project activities: implementation of concluded contracts for supply of medical vehicles, implementation of contracts for supply of equipment, furniture and construction works.	2023	OPRG 2014-2020 – BGN 163.5 million.	Population covered by improved emergency medical care services – 7,245,677; Modernized sites of EMC – 237; Purchased ambulances – 400 pcs.



Specific Recommendation 2

Ensure adequate social protection and essential services for all and strengthen active labour market policies. Improve access to distance working and promote digital skills and equal access to education. Address the shortcomings in the adequacy of the minimum income scheme.

Policy summary

In response to the recommendation and in order to provide appropriate basic services for the most vulnerable groups of the population, under the implementation of measures aimed at improving social infrastructure, providing social housing and measures to support deinstitutionalization of children and adults continues under OPRG 2014-2020. The support will continue also in the period 2021-2027 under the PDR which envisages financing the construction of new services for residential care of the elderly; infrastructure for the creation of other types of services (emergency accommodation, advisory services, etc.) and the improvement of the environment in existing services, including in relation to integrated services. To ensure the social inclusion of children and their families, PDR will support investments in infrastructure of the network of early childhood development services, prevention and early intervention services for children with disabilities and creation of other types of services, including integrated as well as in improving the environment in existing services for children. The provision of shelter and adequate housing conditions will also be supported.

Active labour market policy in 2022 will contribute to reducing unemployment and increasing employment, improving the employability and adaptability of the workforce by supporting the transition from unemployment and inactivity to employment, with a priority for the disadvantaged groups on the labour market as well as promoting employment by covering part of employers' labour costs. It is envisaged to provide employment to 8,900 unemployed persons under programmes and measures for subsidized employment under the Employment Promotion Act and training to 11,000 employed and unemployed persons. The funds for the implementation of the active labour market policy in 2022 amount to BGN 123 million.

Unemployed young people under the age of 29, as well as young people who are neither in employment nor in education and training (NEET's) are one of the main priority groups of active labor market policy. The guidelines set out in the new Council Recommendation "A Bridge to Jobs – Strengthening the Youth Guarantee" will be applied in the work with youth. Efforts are aimed at promoting the active behavior of young people, increasing their employability, supporting their initiative and entrepreneurship, increasing their motivation for work and successful employment. Timely and individual work with each young person is of key importance for the realization of young people. The acquired education and / or training, aligned with the demands of the labour market, are a guarantee for sustainable employment and successful career development. In this regard, the implementation of various tools (job search ateliers, work with psychologists and case managers, training, etc.) is envisaged. In order to reach inactive and unemployed young people, it is planned to unite the efforts of mediators, institutions, social partners and local authorities by improving data exchange, holding information days, using modern channels for information and development of electronic services. One of the main tasks of the National Employment Action Plan (NEAP) 2022 is to reduce long-term unemployment. The main focus will be on working with the unemployed who have been on the labour market for more than two years. In the context of the Recommendation of the Council of the EU on the integration of the long-term unemployed in the labour market, in 2022 the previously concluded, as well as newly concluded, "Employment Integration Agreements" will be implemented for the use of specific mediation services and services provided by other institutions in order to overcome individual barriers to labour market integration. The signed National Framework Agreement between the Ministry of Labour and Social Policy (MLSP), the Ministry of Education and Science (MES), the Ministry of Health and the National Association of Municipalities in the Republic of Bulgaria (NAMRB) will be implemented. It envisages the implementation of a set of measures to support the long-term unemployed in their transition from unemployment to sustainable and quality employment, with a focus on counseling oriented to the needs of individuals, their strengths and potential, motivation, career guidance, status reporting of the whole household of the long-term unemployed. It is also envisaged to be included in labour exchanges, subsidized employment, support at the workplace in order to stabilize and prevent leaving work. The services of "family counselor" and "counseling and mentoring after starting work" will be implemented in all labour offices, as well as building and maintaining good interaction with the social partners on

the ground. The main tool for supporting employment in regions with limited labour demand is the implementation of regional employment programmes. The programmes are an effective tool of active labour market policy, which supports the regions and ensures employment of unemployed people from vulnerable groups.

In connection with the digital transition and the penetration of digital technologies in all areas, in 2022 and beyond, the policy for training of adults (over 16 years of age) will give priority to the development of digital skills of the workforce – basic, applicable to all spheres of socio-economic life, and specific – necessary for the successful implementation of the professions.

In 2022, with funds of the European Social Fund (ESF) under OPHRD (procedure "Development of digital skills") and with the help of nationally representative organizations of the social partners, a study and analysis of economic sectors will be conducted to identify the needs for digital skills for successful implementation of key professions and job positions by sectors. Based on this information, by the middle of 2023, unified profiles of basic and specific digital skills necessary for the successful implementation of key professions and job positions, will be elaborated, as well as sectoral frameworks of digital skills tools for assessing the needs of specific digital skills, learning content and training programmes for specific digital skills will be developed. A unified set of methodological tools was developed in 2021 to ensure applying a unified approach in the implementation of activities in 2022.

Within the framework of the National Recovery and Resilience Plan, a large-scale project has been set up to build, by mid-2026, a national platform for online training of adults (over 16 years of age) in an electronic environment that will provide opportunities for conducting online training courses for acquiring vocational qualifications and key competencies, incl. adapted training opportunities for disadvantaged people such as persons with disabilities, people with low level of education, etc. The aim is the wider introduction and use of digital technologies in the process of adult learning and creation of an e-learning environment that will provide high quality, inclusive and accessible training, incl. resources for informal learning. To ensure access for disadvantaged people to the platform and online training courses (including for people without their own equipment and Internet access, from smaller settlements, etc.) about 760 digital clubs will be established / adapted on the territory throughout the country, which will be equipped with modern computer equipment and Internet access and mentors will be trained to support the participation of individuals in online training.

With funding from the NRPP, actions are also planned to increase the level of digital skills of the workforce. It is envisaged by mid-2026, 500 000 unemployed and employed persons without digital skills to be trained for acquiring basic and / or intermediate level of common digital skills, as well as at least 100 000 unemployed and employed persons to validate their digital skills acquired through non-formal training or informal learning. For that purpose, in 2022-2023, unified curricula and assessment tools for basic digital skills will be elaborated, as well as a unified certificate for level of digital skills will be introduced, which will be recognizable by training institutions and employers programmes

In order to improve access to education, the implementation of projects for modernization of the educational infrastructure continues under OPRG 2014-2020. The support for ensuring adequate access to education through investments in educational infrastructure and equipment will continue in the period 2021-2027 under the PDR 2021-2027.

The Single Portal for Access to Electronic Administrative Services provides citizens and businesses with information and the opportunity to request services, including access to work.

The policies set for implementation in 2022 under FP 2 continue to implement a comprehensive educational reform in the field of pre-school, school education and lifelong learning, including:

- Promoting equal access to education and inclusive education / Successful inclusion of children in the school education system and reduction of early school leaving;
- Digital transformation in education / Formation and development of digital competencies and digitalization of the educational environment;
- Education for the professions of the present and the future / Improving the quality and applicability of vocational education and training;
- Legislative and structural changes aimed at large-scale reform in the field of pre-school, school (including vocational) and higher education / Improving the quality of education / Resource sharing;

- Develop a Skills Strategy in partnership with the Organization for Economic Co-operation and Development (OECD);
- Prevention of early school leaving is also implemented through activities under the projects of the Operational Programme "Science and Education for Smart Growth" (OP SESG) "Active inclusion in the system of preschool education", "Support for success", "Education" for tomorrow ", " Equal access to school education in times of crisis ", etc. In the period 2021-2027, the Programme "Education" with ESF + funds will continue to support policies aimed at reducing the share of early school leaving, to acquire key competencies for the development of skills of the 21st century, to support personal development and activate the potential of every child and student. It will facilitate the overcoming of digital exclusion of marginalized groups, incl. Roma, and reducing the risk of early school leaving caused by limited access to digital technologies with the provision of support for the acquisition of digital learning skills in e-learning environment and provision of technical means for access to e-learning platforms and resources, in order to ensure access to distance learning in an electronic environment during pandemics and in the event of school closures.
- Investments aimed at modernizing the educational environment will be implemented under the NRRP – building a STEM environment, an attractive and quality learning environment. The NRPP will also contribute to the development of skills to use the opportunities provided by digitalisation, to a quality educational process aimed at teachers, and to increase the digital skills of students and parents in vulnerable communities. Funding is planned for educational institutions renovation, acquisition of modern specialized equipment and renovation of the educational infrastructure. These investments aim to provide even more favorable conditions for quality education and training and for involving students in the educational process.

The CoM Decree № 257 of 28 July 2021 amending the Regulations for the Implementation of the Social Assistance Act (RISAA), promulgated in issue 64 of the State Gazette of 03.08.2021, changed the percentages in determining the differentiated minimum income for the different categories of persons or families, applying for granting a monthly allowance by the order of art. 9 of the RISAA. The changes came into force on January 1, 2022, and for 2023 and 2024 a subsequent increase in interest rates is regulated.

By adjusting the increase in individual percentages, the access limit and the amount of assistance received are widened for the most vulnerable groups of the population – the unemployed, people with disabilities, children and the elderly without a pension, as well as the families of the above-mentioned target groups.

Also, the adopted changes in the RISAA implement the Recommendation of the EC regarding the scope, the adequacy and regular updating of the monthly social benefits in the context of the NRRP.

The set of social indicators in support of the EPSR shows that Bulgaria is in a very difficult position to meet the indicators "People at risk of poverty or social exclusion" and "Impact of social transfers (other than pensions) to reduce poverty". situation. Increasing the amount of social benefits and expanding the scope of assisted persons will contribute to reducing the risk of poverty by increasing the impact of social transfers on poverty reduction and social exclusion.

At the beginning of 2022, a LAS of was drafted, in which the linking of social benefits to the official poverty line in Bulgaria is regulated. The proposed changes are in the Public Consultation phase.

Findings from the National Report for Bulgaria for 2020

Policy response

The labour market continues to perform strongly. The ongoing economic growth underpinned by recent policy reforms and measures contributed to a strong decline in unemployment and a steady increase in the activity rates. However, the decline in the working-age population and

A priority in the Employment Strategy of the Republic of Bulgaria (2021 – 2030), approved in 2021, is to increase the supply of labour, as more and more inactive people unemployed from disadvantaged groups in the labour market join the labor market as job seekers. To increase labour supply, activating policies will be implemented in accordance with the individual characteristics and needs of both the economically inactive and the disadvantaged in the labor market, as well as all jobseekers.

further labour market tightening may limit the scope for future employment increases and create labour shortages.

In the short term, the implementation of the NRRP in 2022 will support the maintenance and increase of employment through the acquisition of new skills by the unemployed and will contribute to ensuring rapid transitions to new jobs, primarily for disadvantaged groups in the labour market. It will promote employment by bearing part of employers' labour costs.

Integration into the labour market differs among population groups and regions.

In 2022, the implementation of the Regional Employment Programmes in the 28 districts of the country continues. They are an effective tool of active labour market policy, that supports the regions and ensures employment of unemployed people from vulnerable groups. During the current year, a financial resource in the amount of over BGN 48 million (approximately 4 times more than in 2021) has been assured for the provision of employment for 9 150 unemployed persons from disadvantaged groups on the labour market. The implementation of the regional programs will contribute to reducing employment disparities and regional unemployment.

Upskilling measures can be instrumental in preparing the workforce to changes in labour market needs..

Improving the qualifications and skills of the unemployed and the employed is a prerequisite for ensuring sustainable employment. For the employees the trainings will be related to the acquisition of new skills, incl. digital, to improve basic skills and acquire skills of the future, in order to sustain employment. As a result of the pandemic, trainings for the acquisition of new key skills will be offered to the laid-off persons, incl. digital, and the acquisition of new occupations by the unemployed, whose jobs have been closed and in the short term, not enough new jobs are expected to be created in these economic activities. We will work for more successful inclusion and acquisition of skills by the unemployed from the most disadvantaged groups, faster job placement and achieving sustainable employment.

The labour market integration of vulnerable groups remains low..

In 2022, the employment of 22,223 unemployed persons will be financed under the NRRP with funds from the state budget for active policy (34.8% more than in 2021). Of these, 16,005 (9.5% more than in 2021) will start working in subsidized jobs for the first time this year. 10,686 people will join, of which 9,486 will be unemployed and 1,200 employed in micro, small and medium enterprises.

Although decreasing, the number of people not in education, employment or training (NEET) is still high..

As a public mediator, the Employment Agency (EA) will continue to help increase labour market participation and reduce the number of inactive people of working age, including young people, through activation and training to acquire what is sought after by employers. knowledge, skills and competencies. The implementation of the Council Recommendation "A Bridge to Jobs – Strengthening the Youth Guarantee" to speed up the reduction of youth unemployment, especially from the NEET's group, will continue. It is envisaged to prepare a National Framework Agreement for its implementation, including a coordinated approach for the implementation of measures within the competence of a number of institutions and organizations related to youth policies.

The efforts of the youth and Roma mediators, who will continue to perform their specific activities for identification and activation of inactive people, incl. of young people from the NEETs group, at the local level, also contribute for the reduction of the number of inactive young people.

Participation in early childhood education and care is low, and declining.

Introduction of compulsory pre-school education from the age of 4 and elimination of fees for kindergartens; continuing implementation of the Mechanism for joint work of the institutions for the successful inclusion in education and prevention early school leaving; inclusive education and personal development of children / students; improving the quality of higher education and its connection with the labour market; implementation of a system for

	<p>monitoring and analysis of the achieved results from the implementation of policies and programmes in order to take corrective actions / Development of a medium-term budget forecast and budget for results-oriented policies and programmes / Provision of public resources for implementation of the set goals and achieving the expected results – increasing the standard of living of educational institutions, increasing teachers' salaries, investing in enriching extracurricular activities, providing additional funds for the repair of gyms and sports grounds.</p>
<p>Digital skills are low among the young population.</p>	<p>Improving the level of digital skills of children and students / Improving access to information and communication technologies. The policy is upgraded through the implementation of the National Programme "Information and Communication Technologies (ICT) in the system of preschool and school education" and the project "Education for tomorrow" under OPSESG 2014-2020.</p> <p>Creation in each institution for pre-school and school education (PRSE) of a high-tech educational environment and conditions for teaching through the use of integrated educational platforms and cloud technologies;</p> <p>Increasing the number of electronic devices in the institutions of the PRSE system; Equipping classrooms with modern equipment for working with digital learning content;</p> <p>Providing free, safe / secure internet access to students in educational institutions;</p> <p>Sharing, integrating and using free digital resources by students and teachers;</p> <p>Providing free access to e-books of the relevant printed publications for students from first to seventh grade;</p> <p>Providing access to a virtual classroom and pedagogical support for distance learning in an electronic environment for all students in cases of epidemics, natural disasters, etc., as well as for those students who are at risk and can not attend school due to health reasons and / or have special educational needs (SEN);</p> <p>Developing the skills of pedagogical specialists to teach in an online environment and to develop the use of digital learning content;</p> <p>Development of digital competencies of pedagogical specialists for application of new technologies, cloud ICT services, innovative digital teaching methods, for integration of digital media literacy in education.</p>

Table. 2-2: Measures addressing CSR 2, part of Annex 1

Policy area	Name of the measure	Information on measures taken and planned					Expected effect, incl. budget	Effect indicators with current and target value
		Brief description of the measure	Starting date	Current status (as of April 2022)	Forthcoming stages in the implementation of the measure until the deadline for its implementation (after April 2022)	End date		
1	2	3	4	5	6	7	8	9
Employment	<p>Active labour market policy</p> <p>Implementation of NEAP 2022, including:</p> <p>Measures aimed at including unemployed young people under 29 in employment</p> <p>Integration of the long-term unemployed and economically inactive in employment</p> <p>Increasing employment, reducing unemployment and improving the quality of the workforce in the regions</p>	<p>Programmes and measures to promote the creation of employment of disadvantaged groups in the labour market</p> <p>Implementation of the Career Start Program, EPA measures aimed at young people up to 29 years of age, incl. Art. 36, para. 1, art. 36, para. 2, art. 36a, art. 41, art. 41a for employment of young people up to 29 years of age</p> <p>Programme for training and employment of long-term unemployed persons, NP "Activation of inactive persons", Art. 36a and Art. 55c of the EPA for employment of the long-term unemployed</p> <p>Regional employment programmes</p>	April 2022	<p>The first version of the NEAP 2022 has been prepared.</p> <p>Coordination under Art. 32 of the Rules of Procedure of the Council of Ministers and its administration (RPCMA)</p> <p>5 unemployed young people up to the age of 29 are included in employment.</p> <p>19 long-term unemployed people are included in employment. 2,098 inactive persons registered with the Labor Office as unemployed.</p> <p>A procedure for the development of Regional Employment Programmes – 2022 is about to start.</p>	<p>Implementation of the measures and programmes included in the plan, financed from the state budget (SB)</p> <p>Implementation of measures aimed at organizing the labour market of unemployed youth up to 29 years of age</p> <p>Implementation of the measures and programmes included in the plan, financed by the SB</p> <p>Implementation of the programmes financed with funds from the State Budget</p>		<p>BGN 123 million, of which:</p> <p>BGN 8,915,288</p> <p>BGN 10,409,807</p> <p>BGN 48,784,634</p>	<p>10,686 employed and unemployed persons included in adult education</p> <p>22,223 employees under programmes and measures for subsidized employment</p> <p>(The values are indicative NAPE 2022 has not yet been adopted by the Council of Ministers.</p> <p>1,809 unemployed young people up to the age of 29 included in employment</p> <p>1,548 long-term unemployed persons included in employment</p> <p>9,150 people are included in employment</p>

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Improving access to teleworking and promoting digital skills and equal access to education	Procedure "Development of digital skills", OP HRD 2014-2020	<p>The procedure is implemented in two components, with Component 1 aimed at developing a single methodological toolkit to ensure a single approach in the implementation of activities under Component 2. The toolkit was developed in 2021 by a team of experts and researchers in the field of training and information technologies.</p> <p>Component 2 of the procedure is implemented through 7 projects implemented by the national representative organizations of the social partners. All projects apply the single methodological toolkit developed under Component 1 and include the following activities:</p> <p>Research and analysis of digital skills needs by economic sectors;</p> <p>testing and validation of unified digital skills profiles by key professions and positions;</p> <p>Development of sectoral frameworks for development of digital skills;</p> <p>Development of tools for assessment of digital skills and testing of current skills of the workforce by sectors;</p> <p>Development, pilot testing and adaptation of curricula and curricula for non-formal learning to develop specific digital skills</p>	2021	<p>The activities for research and analysis of the economic sectors for identification of the needs for digital skills in key professions and positions are in the process of implementation.</p>	Depending on the project implementation schedules.	2023	<p>The operation will contribute to determining the specific levels of digital skills needed by employees and will support the acquisition of specific skills and sector-specific digital skills through the development and testing of profiles, sectoral frameworks, training content and more.</p> <p>The operation has a total budget of BGN 14 million, co-financed by the ESF and the National Bank</p>	<p>The support for the operation is expected to involve 3,600 employees in the project activities and to support 700 enterprises to introduce new systems, practices and tools for human resources development, in particular to increase the adequacy of digital skills.</p>
	Improving access to education and employment for people with disabilities by providing opportunities to build an accessible environment	<p>Implementation of the National Programme for Accessible Housing and Personal Mobility, according to art. 56, para. 1 of the Law on People with Disabilities, to build an accessible environment in existing residential buildings and their adjacent spaces for people with disabilities and to ensure personal mobility for their social inclusion, taking into account their specific needs.</p>	2022	<p>The implementation of the Programme is carried out on a project basis, annually within the approved budget funds for the respective year.</p> <p>The programme is implemented in two components, as follows:</p> <p>1. Component 1 "Affordable Housing Environment" – to finance the implementation of investment projects to build an accessible environment in existing residential buildings</p>	<p>Administration of the activities under the Programme – implementation of organization, coordination and operational control.</p> <p>Announcement of application procedures with project proposals under both components, consideration, evaluation, ranking and approval of project proposals of applicants, subject of the Programme, as well as implementation of mechanisms for concluding con-</p>		<p>Creating conditions for leading an independent life, in particular for access to work and education, through the provision of</p>	<p>Target value: number of funded projects – 70 for 2022</p>

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				<p>and their adjacent spaces, which is used free of charge and in a non-profit manner;</p> <p>2. Component 2 "Personal mobility" – to finance activities to ensure the personal mobility of a person with permanent disabilities in accordance with the functional deficit and needs.</p> <p>In connection with the implementation of the National Programme for Affordable Housing and Personal Mobility in 2021 under Component 1 "Affordable Housing" contracts have been concluded for the funding of 45 approved projects, incl. of 16 individuals and 29 legal entities (condominium associations). The total value of the financing contracts is BGN 1.8 million. During the reporting period the value of the disbursed funds amounts to BGN 1.6 million. Under Component 2 "Personal Mobility" 5 project proposals were approved at a total value of BGN 19,979</p> <p>By April 2022, a change was made to the Programme for Improving the Terms, Conditions and Procedures for Applying, Implementing, Reporting and Paying Funds to Provide the Necessary Public Support for Building Affordable Housing and Providing Alternatives to Personal Mobility for people with permanent disabilities.</p>	<p>tracts for implementation, financing and reporting of their activities and to control the spending of approved budget funds.</p>	<p>December 2022 annually</p>	<p>accessible housing and personal mobility for people with permanent disabilities.</p> <p>Budgetary effect: BGN 2.5 million for 2022</p>	
<p>Ensuring adequate social protection and basic services for all and strengthening active labour market policies</p>	<p>Project "Digital Skills Training and Building a National Online Platform for Adult Learning", National Recovery and Resilience Plan</p> <p>Providing financial support for people with disabilities, defined and updated against a dynamic monetary indicator such as the poverty line, aimed</p>	<p>The project will be implemented in two components:</p> <p>Component 1: National virtual platform for e-learning</p> <p>Component 2: Workforce training for digital skills and competencies</p> <p>Providing monthly financial support and targeted assistance under the Law on People with Disabilities.</p>	<p>Expected launch in 2022</p> <p>2022</p>	<p>Launch of the project "Digital Skills Training and Building a National Online Platform for Adult Learning" of the National Recovery and Resilience Plan</p> <p>Preparation of an individual assessment of the needs of people with disabilities under the Law on People with Disabilities.</p>	<p>After the European Commission's approval of the NRRP of Bulgaria, the preparation and the start of project activities is forthcoming, according to the schedules for implementation of the components..</p>	<p>June 2026</p> <p>December 2022 annually</p>	<p>Social inclusion of people with disabilities by providing financial support to compensate for the costs associated with overcoming the difficulties caused by the type and degree of disability.</p>	<p>Developed and implemented virtual platform for e-learning for adults (over 16 years); developed at least 100 online training courses and 50 e-resources for self-study; trained at least 3,708 trainers from training organizations to provide online training</p>

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	at improving their financial situation			<p>Based on the conclusions of the evaluation, the types of financial support are determined in accordance with the law.</p> <p>Carrying out activities for granting, paying, amending, suspending, terminating and resuming the financial support, according to the terms and conditions determined by the Regulations for the implementation of the Law on People with Disabilities.</p>	<p>Ensuring the realization of the right to financial support for people with disabilities (according to Article 68 of the Law on People with Disabilities) by carrying out activities for granting, paying, amending, suspending, terminating and resuming financial support according to the needs of people with disabilities, established on the basis of individual assessment according to the Agency for Social Assistance.</p> <p>The indicated administrative proceedings and set procedures will be carried out for the period from 01.01.2022 until the end of the period of implementation of the measure.</p>		Budgetary effect: BGN 522.3 million for 2022	<p>Created / adapted 760 digital clubs on the territory of the country and equipped with modern equipment and internet access; trained at least 1,520 mentors from digital clubs</p> <p>500,000 unemployed and employed people involved in basic and / or intermediate digital skills training</p> <p>100,000 unemployed and employed people with validated digital skills at basic and / or intermediate level acquired through non-formal or informal learning</p> <p>Target value – average monthly number of people with permanent disabilities – 672,000 for 2022.</p> <p>As of February 28, 2022, monthly financial support was provided to 651,365 people (average monthly number).</p>

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								Targeted assistance was provided to 7,069 average monthly number of persons with disabilities (including 5,797 average monthly number of persons provided with aids, devices, equipment and medical devices).
Preschool education	Compulsory pre-school education for 4-year-old children	In accordance with § 20 of the Final Provisions of the State Budget Law for 2020 (SG, issue 100 of 2019, in force from 01.01.2020) the Council of Ministers adopts a programme for construction, extension, superstruction and reconstruction of nurseries, kindergartens and schools for the period 2020 – 2022,	2020	With the amendment of the Law on Pre-school and School Education from September 2020, pre-school education becomes compulsory for four-year-old children as well. The provision of pre-school education to 4-year-old children is carried out only in kindergartens (kindergartens). Schools can set up preparatory groups for four-year-olds only if the municipality does not have a kindergarten. If pre-school education is provided in the school's preparatory group, the same state educational standards that apply to kindergartens must be observed.	By the beginning of the school year 2023-2024, the municipalities are obliged to create the necessary conditions for the implementation of compulsory pre-school education for children from 4 years of age.	2024	Increasing the scope and quality of pre-school education, given its basic importance for achieving higher educational results	Number of 4-year-old children enrolled in pre-school education
	Elimination of fees for all kindergartens	Adoption of amendments to the CITA, which should ensure the complete elimination of fees for all children in kindergartens.	2022	By the beginning of 2022, fees for children in kindergartens are paid by the parents.	From April 1, fees must be abolished	2022	Expanded scope and improved pre-school preparation as prerequisites for reducing early school leaving and increasing motivation to attend.	Number of children in kindergartens
Implementation of the Mechanism for joint work of the institutions for the successful inclusion in education	Joint work of all responsible institutions for maximum coverage in the educational system		2018	The coverage teams in the activities for selection and implementation of the measures for the coverage and inclusion of children and students in compulsory preschool and school age are supported. Providing secondment, communication and administrative costs for team members from schools, kindergartens and other institutions included in the coverage teams; Interaction of	Execution of №100 / 08.06.2018, amended and supplemented by CoM Decree № 259 / 14.10 2019; Implementation of activities under the National Programme "Together for each child".	annually	Reduced number of children and students who are not covered and for whom there is a risk of dropping out	-Number of children and students returned to kindergarten / school – 8,700 for the school year 2021/2022.

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and prevention of early school leaving				<p>educational institutions with parents for coverage and inclusion in education of children and students of compulsory preschool and school age; Reducing the relative share of non-covered children and students in compulsory preschool and school age as a result of the activities of the teams – 5010 visits to the address were realized.</p> <p>As a result of the work of the coverage teams, 997 children and students of compulsory preschool and school age were returned to the educational system.</p>			Estimated budget – BGN 3,090,000.	-Number of dropped out children / students – 57 287 as of 05.11.2021
Enhancing the inclusive nature of education and training with a focus on vulnerable groups, including the Roma	Support for personal development	Implementation of procedure BG05M2OP001-5. „Equal access to school education in times of crisis“ under OPSESG 2014-2020	2021	In progress.	Purchase of technical means for pedagogical specialists and students; Training of students, incl. from vulnerable groups; Training of educational mediators and parents; Support for catching up.	2023	to counteract the risk of dropping out Amount of grant (grant): BGN 109 million	<p>Target value: Number of participants who acquired skills for distance learning – 210,000.</p> <p>Target value: Number of participants with provided access to distance learning in electronic environment – 140,000.</p> <p>The activities are in the process of implementation and no current value has been reported</p>
	Support for personal development	Providing general and additional support for personal development of children and students in the system of preschool and school education	2020	Activities have been implemented to provide conditions and resources for building a supportive environment in kindergartens and schools for the implementation of general and additional support for personal development of children and students	Providing support for equal access to quality education and personal development of students	2022	Supporting children and students in their personal development	- Number of children / students in the system of preschool and school education who have been provided with support for personal development
	Support for personal development	Procedure BG05M2OP001-2.011 " Support for success " under OPSESG	2019	The procedure is in progress	Development of tools for early identification of students at risk of early school leaving; Training of pedagogical specialists for application of the toolkit; Additional training in subjects for the prevention of learning difficulties;	2022	Promote equal access to quality education and fuller coverage of students in school	Schools offering activities to increase learning motivation – Target value: 1,500.

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					Additional trainings in the second high school stage for overcoming gaps in order to successfully pass state matriculation exams; Interest-based activities to stimulate creative expression and increase learning motivation; Career guidance for students; Additional training from marginalized communities to address gaps due to the COVID-19 crisis and targeted work with parents to reduce the risk of early school leaving		education; Reduction the share of early school leavers Grant amount: BGN 140,923,697.44 .	Current value: 1,868 Number of students covered by career guidance activities – Target value: 47,340. Current value: 17,737 : Students at risk of dropping out Target value: 120,000 Current value: 165,744 Children, students and young people from marginalized communities participating in measures for educational integration and reintegration – Target value: 32,898. Current value: 0
	Support for personal development	Procedure "General and additional support for personal development in school education" under the Programme "Education" 2021-2027	2022	The implementation of the procedure will start after the approval of the Education Programme 2021-2027 by the EC and the approval of the procedure by the Monitoring Committee of the "Education" Programme.	The activities will be focused on children in preschool education, incl. kindergartens with nursery groups and students until the completion of primary education (VII grade), and students from the high school stage will be supported (if there is a proven need for individual needs for high school students, for example for National External Assessment in X grade).	2027	The implementation of the activities will contribute to the implementation of the European Guarantee for Children and the fight against child poverty	
	Accessible architectural environment	Ensuring free access of people with disabilities and special educational needs (SEN) to public service buildings intended for education, creating an accessible architectural environment	2016	Ensuring free access to education for children and students with SEN by building an accessible architectural environment as part of the necessary support for their education.	Implementation of activities under the National Programme "Creating an accessible architectural environment and safety at school" for 2022, Module I "Creating an accessible architectural environment"	Annually	Ensured free access to education for children and students with SEN	Number of construction and installation works performed; Number of delivered and installed equipment

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	Support for children and students with SEN, children with behavioral problems and those with outstanding gifts	Implementation of the procedure "Support for inclusive education" under OPSESG	2020	The procedure is in progress.	The implemented activities support the inclusive education of children and students, development of specialized didactic materials for working with children and students with SEN, with chronic diseases, at risk, and with outstanding gifts. Specialized training of personal development support teams to provide additional support, purchase equipment for additional support	2023	Ensuring higher quality and better access to education for children and students with SEN, with chronic diseases, at risk, and with outstanding gifts Grant amount: BGN 31 million.	: Children and students with SEN involved in activities – Target value 4 100 Current value: 2,427; Target value: Number of supported kindergartens 220; Current value: 117 Number of supported schools 430; Current value: 211
	Support for students from vulnerable groups to apply to higher education; Support the training of students, PhD students and graduates from vulnerable groups.	Implementation of the procedure "Support of vulnerable groups for access to higher education" under OPSESG 2014-2020	2022	Its implementation is forthcoming. The deadline for applying for the procedure was the beginning of April 2022.	Identification and motivation of the representatives of the target groups to complete secondary education and continue their education in higher education, including work with the parents of students from vulnerable groups.	2023	Providing access to higher education for students from vulnerable groups. Support for the training of students from vulnerable groups Support for educational mediators for acquiring higher education with a pedagogical profile. Grant amount: BGN 7 million.	Target value: Persons from vulnerable groups involved in activities under the operation – 5,369. Target value: Educational mediators and / or teacher's assistant – 370. Target value: Parents of students from vulnerable groups in the second stage of high school – 4,131.
	Increasing the professional competencies of teachers, principals and other pedagogical specialists to work in a multicultural environment	Implementation of procedure BG05M2OP001- 3.017 "Increasing the capacity of pedagogical specialists to work in a multicultural environment" under OPSESG 2014-2020	2020	The procedure is in progress.	Development and updating of strategies, plans, programmes, analyzes, recommendations, competency profiles, etc. of the educational institution for work in a multicultural environment. Conducting short-term trainings for pedagogical specialists and principals for work in a multicultural educational environment.	2023	Increasing the professional competencies of teachers, principals and other pedagogical specialists to work in a multicultural environment	Pedagogical specialists included in the trainings Target value: 5 123 Current value: 1,033 Educational mediators involved

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					Support of pedagogical specialists for participation in procedures for acquiring professional qualification degrees for work in a multicultural environment,		Grant amount: BGN 7 million	in trainings Target value: 241 Current value: 7
Improving the quality of vocational training and education and its applicability to the labor market	Improving the quality of training and business relations	Procedure "Modernization of Vocational Education and Training" under the Programme "Education" 2021-2027	2022	The implementation of the procedure will start after the approval of the Programme Education 2021-2027 by the EC and the approval of the procedure by the Monitoring Committee of the Education Programme.	Development and implementation of a new List of Professions for Vocational Education and Training (VET), State Educational Standards (DOS), curricula, national examination programmes, incl. cross-sectoral, by specific sectors, etc., through the use of Sectoral Councils of skills for collaboration between schools and other providers of VET, business, etc. Introduction of competency profiles of teachers and lecturers in vocational training and their training in skills specific to the profession. Introduction of flexible pathways, micro-qualifications and credits in VET for the purpose of mobility and passability between professions, sectors and educational levels. Development and introduction of educational materials for vocational training for sectors important for the region's economy and labor market with innovative digital learning content and others. Qualification of teachers in the VET system	2027	Support the adaptation of vocational education and training to the dynamics of the labor market.	
	Improving the digital skills of the young population	Procedure BG05M2OP001-2.015 Internships for Students – 2“ under OPSESG 2014-2020	2021	The procedure is in progress.	Support for the practical training of students over 16 years of age from vocational training schools – additional practices in a real work environment. Establishment and functioning of training companies; Improving the practical skills of students in accordance with the specific needs of the labour market	2023	Improving the effectiveness of partnerships between vocational schools and employers. Grant amount: BGN 10.6 million.	Number of students participating in practical training activities in a real work environment – Target value: 11,649; Current value: 3,760 Number of established training companies– Target value: 344 Current value: 198
	Promoting dual education with business participation	Procedure BG05M2OP001-2.014-0001 "Support for the dual training system" under OPSESG 2014-2020	2020	The procedure is in progress.	Activities in support of schools providing a dual system of education, activities aimed at students participating in a dual system of education and in support of employers and parents	2023	Expanding the scope of dual training and strengthening the link with the labor market.	Number of vocational high schools / schools with classes that have introduced a dual system of

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							Grant amount: BGN 24.4 million.	education – Target value: 147; Current value: 123 Students included in a dual system of education – Target value: 9800; Current value: 67
Improving employability by strengthening skills, including digital skills	Improving the digital skills of the young population	Building an information and communication environment in which to integrate the currently used digital educational tools and the data they produce	2020	Purchased equipment for the data centers of the Ministry of Education and Science in order to ensure the continuity of services and protection of information resources and infrastructure of the Ministry of Education and Science In 2021 BGN 4,405,970 were paid. NEISPSE was introduced and has been working in it since 2022.	Introduction of the National Electronic Information System for Preschool and School Education (NEISPSE). For 2022 BGN 700 thousand are planned. to develop additional modules.	2022	Secure automated information exchange	Introduced and functioning NEISPSE – 1 pc.
	Digital skills	Procedure BG05M2OP001-2.012-0001 "Education for Tomorrow" under OPSESG 2014-2020.	2019	The project is in the process of implementation.	Building a cloud environment and implementing a platform for educational services and content with reliable communication access of users – experts, teachers, students and parents. Digital image development. content. Increasing students' digital competence and skills in the form of extracurricular activities		Digitization of the education system on a national scale, acquisition of greater digital competence of all participants, integration of educational technologies and motivation for their use. Grant amount: BGN 103 million.	Schools and kindergartens, with the introduction of innovative teaching methods through ICT – Target value: 2,000. Current value – 0 Number of pedagogical specialists trained for introduction and application of innovative teaching methods through ICT – Target value: 26 900. Current value: 694
	Creation, development and promotion of educational innovations	Creating conditions and support for developing a culture for creating and implementing innovations in all spheres of school life. In 2017, there were 184 innovative schools, and in 2021/2022 – 510. They make targeted, planned and	2017	A selection of partner schools was made based on the type of innovation and the objectives of the cooperation. Each innovative school has a contract with one innovative partner school and one non-innovative partner school.	Implementation of activities under the National Programme "Innovation in Action" for 2022;	2022	Created conditions for innovations in education through popularized re-	Number of innovative schools for the school year 2021/2022 – 510;

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		controlled change through innovative practices that seek solutions to organizational and content problems in the educational process.					sults of innovations and scientific or innovative products applicable to the school system	– Number of events for the presentation of innovative school activities – plan – up to 600
Improving the quality of higher education and its connection with the labor market	Defining the profiles of higher schools (research, professional, educational) and cooperation in educational-scientific consortia	Transforming higher education institutions that make significant contributions and produce cutting-edge research in research and innovation centers	2021	Implementation of the CoM Decree № 266 / 12.07.2021 for the adoption of indicators for determining the research universities and the conditions and procedure for updating the List of research universities.	Update of the List of Research Higher Education Institutions for 2022. Development of the national scientific potential for building a sustainable connection education-science-business, as a basis for the development of a knowledge-based economy	2022	Stimulating research activity in higher education institutions that have available capacity and carry out research. The financial resource will be provided under the NRRP, Pillar 2 with a total indicative budget of BGN 239 million by 2026. For 2022 BGN 30 million are planned.	Number of new higher education institutions included in the List of Research Higher Education Institutions
	Higher education	BG05M2OP001-2.013 " Student Practices - Phase 2 " under OPSESG 2014-2020.	2020	The procedure is in progress	Conducting additional practical training in a real working environment for students from higher schools – project partners that are trained in priority professional areas and protected specialties and deepening relations with the labour market	2023	Practical training of students to improve the quality of higher education Grant amount: BGN 46 million	Number of students involved in student internships – Target value: 44,000 Current value: 25,843
	Higher education	BG05M2OP001-2.016 "Modernization of higher education institutions" under OPSESG 2014-2020.	2020	The procedure is in progress	Modernization of the educational documentation, with focus on the priority professional directions and professional direction "Medicine", by introducing a competence model, multidisciplinary and interdisciplinarity, digital educational content, electronic resources and cloud technologies in the educational process. Career guidance of students and mobility-organization of career exchanges, etc.	2023	Achieving dynamic matching between supply and demand of specialists with higher education, digital transformation of education	Target value: Number of introduced new programmes with digital educational content- 107 Target value: Number of young teachers (up to 34 years inclusive),

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							Grant amount: BGN 50 million	who have completed short-term specializations abroad and / or trainings in Bulgaria – 391
More effective support for minimum incomes	Ensuring social protection of vulnerable groups.	Ensuring social protection of the lowest income and risk groups of the population by providing social benefits.	January 2022	<p>The CoM Decree № 257 of 28 July 2021 amending and supplementing the RISAA, promulgated in issue 64 of the State Gazette of 03.08.2021, changed the percentages in the RISAA in determining the differentiated minimum income for different categories of persons or families applying for granting of monthly allowance by the order of art. 9 of the RISAA. The changes come into force on January 1, 2022, and for 2023 and 2024 a subsequent increase in interest rates is regulated.</p> <p>By adjusting in the direction of increasing the individual percentages, a corresponding expansion of the access limit and the amount of the received aid is achieved.</p>	In 2022, the guarantee of social protection of the lowest income and risk groups of the population will continue through the provision of social benefits. The Amendments to the Social Assistance Act are to be prepared, which will regulate the linking of social benefits with the official poverty line in Bulgaria.	December 2022	<p>The amount of social benefits (monthly, one-off, targeted heating benefits, etc.) and their effective targeting are important in reducing poverty among the most vulnerable groups.</p> <p>Budget effect for 2022 BGN 234.2 million</p>	<p>1. Number of persons supported by monthly social benefits</p> <p>Current value: As of February 28, 2022 19,695 persons and families on average per month</p> <p>Target value – 34,802 persons and families on average per month for 2022.</p> <p>2. Number of persons assisted by targeted heating aid.</p> <p>Target value – 300,000 people and families for the heating season 2022/23.</p>
Providing adequate social protection and basic services for all	Opening up new social services in the community for children and families, elderly and people with disabilities and eliminating the institutional model of care	Under OPRG 2014-2020: implementation of procedures "Support for deinstitutionalization of child care" and "Support for deinstitutionalization of social services for adults and people with disabilities" – through construction, repair, reconstruction, renovation of buildings to ensure appropriate infrastructure for social services in the community	2017	61 fulfilled and 20 contracts under implementation for provision of grants for deinstitutionalization of care for children and care for the elderly and people with disabilities	Implementation and completion of projects	2023	BGN 84, 1 million	<p>Number of supported social infrastructure sites in the process of deinstitutionalization – current value 142, target value 214.</p> <p>Capacity of the supported infrastructure intended for child care or</p>

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								education – current value 6,411 units, target value 6,093 units. (there is an overimplementation)
Improving the living conditions of vulnerable groups	Integration of vulnerable and other disadvantaged groups by providing adequate social infrastructure and improving housing conditions for vulnerable groups.	Under OPRG 2014-2020: Construction, reconstruction, repair and expansion of social housing in order to prevent poverty and social exclusion and repair / reconstruction / construction of appropriate municipal infrastructure for providing social services in the community – temporary accommodation centers, crisis centers, shelters and centers for work with children on the street.	2015	Implementation of projects under the under Priority Axis (PA) 1 granting procedure "Sustainable and integrated urban development" for construction / reconstruction of social housing for disadvantaged people, incl. for marginalized groups and for municipal social infrastructure for provision of services in the community. 24 contracts for social housing and 19 contracts for municipal social infrastructure have been concluded. 6 projects for social infrastructure and 4 projects for social housing have been completed.	Implementation of projects under OPRG 2014-2020 within PO 1 "Sustainable and integrated urban development" –for construction / reconstruction of social housing for disadvantaged people, incl. for marginalized groups and for municipal social infrastructure for provision of services in the community.	2023	BGN 55.8 million under PO1 of OPRD	Rehabilitated dwellings in urban areas – target value 632, current 329 Population using improved social services – target value 13,843 persons, current 12,117 persons
Improving equal access to education	Infrastructure investments to ensure equal access to education	Implementation of measures under OPRG to improve the material base in educational institutions – nurseries and kindergartens, primary and secondary schools and universities	2015	Under PO 1 "Sustainable and integrated urban development" 43 contracts have been concluded and 31 of them have been successfully completed. Under PO 3 "Regional Educational Infrastructure" 68 contracts for renovation of vocational high schools, sports schools and schools of culture and art have been concluded and 48 have been completed.	Implementation of projects.	2023	229.7 million	Capacity of the supported infrastructure intended for child care or education – target value 132 986 persons, current value 80 767 persons Representatives of marginalized groups, including Roma, using the modernized educational infrastructure – target value 8,640 people, current value 5,185 people
	Project " Modernisation of educational institutions for a more attractive and quality environment for learning and Innovation“ under the National Recovery and	The project is part of the reform of preschool, school education and lifelong learning set in the NRRP. After the approval of the project, the preparation of the activities for renovation of the existing buildings in 57 kindergartens and 59 schools and renovation of 24 vocational high schools will start; construction of eight new schools and eight new kindergartens; renovation of 23 dormitories;	2022	The project activities are about to start	Activities related to the acquisition of a completely renovated look of the educational institutions in the existing schools / kindergartens, repair of dormitories, design, construction and commissioning of a new building – kindergartens and schools will be performed. The construction of student campuses will be financed.	June 2026	The implementation of the project will contribute to the transformation of educational institutions into a modern, safe and favorable environment,	- Number of educational institutions with a completely renovated look – 140 kindergartens and schools, of which 24 centers of excellence in VET; - Number of new kindergartens and

1	2	3	4	5	6	7	8	9
	Resilience Plan (NRRP)	construction of three university complexes.					helping to improve educational outcomes and motivation to learn and to implement comprehensive educational reform in Bulgaria. Budgetary effect: BGN 663.4 million	schools built – 16; - Number of renovated dormitories – 23; - Number of built campuses – 3;
	Project " Building a national STEM environment for skills of tomorrow" under the National Recovery and Resilience Plan (NRRP)	<p>The project will be implemented in two components:</p> <ul style="list-style-type: none"> • Component “Creation of Regional STEM Centers”: In addition, 3 regional STEM centers will be established at the National STEM Center. The regional STEM centers will be built on existing student bases – National Children's Complex in the village of Yastrebino, National Children's Ecological Complex Kovachevtsi and in the town of Hissarya. • The School STEM Environment component includes activities with complementary support from the Recovery and Resilience Plan and the Education 2021-2027 Programme 	2022	The project is to be implemented.	<p>3 competitions and selection of school projects are envisaged:</p> <p>First stage: 15-20% of the total number of schools that are not funded under the NP (indicative between 290-400 schools) – Application: 3/2022 (by quarters)</p> <p>Second stage: 40-45% of the total number of schools that are not funded under the NP (indicative between 790-900 schools) + 50% of the schools funded under the NP (indicative 130 schools) – Application: 1/2023 quarters)</p> <p>Third stage: the remaining between 35-45% of the total number of schools not funded by the NP (indicatively between 690-900 schools) + 50% of the schools funded by the NP (indicatively 130 schools) – Application: 3/2023 (by quarter). Deadline for implementation of projects from the third stage of application: 2/2026 (second quarter of 2026)</p> <p>The selection for funding will be done through a competitive procedure, as well as through direct provision in relation to the National and the 3 regional STEM centers. The specific amount of funds for each project will be determined on the basis of each project proposal.</p> <p>The program envisages covering all 2243 schools in the country. The project presents an indicative allocation of financial resources under the program, according to the 5 groups of schools and the various elements of the STEM programme.</p>	June 2026	<p>The implementation of the project will contribute to the successful inclusion and inclusion in the educational process and to increase the quality and applicability of education, value-oriented and lifelong learning, will support the formation of functionally literate, innovative, socially responsible and active citizens upgrade their competencies through lifelong learning.</p> <p>Budget effect: BGN 559.4 million</p>	<ul style="list-style-type: none"> • Built educational STEM environment in all educational institutions based on modern technologies (base value – 2% of all schools in the country; final – 100%) • Implemented innovative modern teaching methods in all educational institutions (baseline – 4% (or 100 schools out of 2400); final – 100%) • Implemented innovative, interdisciplinary STEM educational programmes in all educational institutions • Created an attractive learning environment in all educational institutions (baseline – 3.5% (or 86

1	2	3	4	5	6	7	8	9
								<p>out of 2400); final – 100%)</p> <ul style="list-style-type: none"> Achieved students – 580 thousand students will have access to STEM and 470 thousand students to high-tech equipped and connected classrooms



Specific Recommendation 3

Streamline and accelerate the procedures to provide effective support to SMEs and self-employed, also ensuring their continued access to finance and flexible payment arrangements. Front-load mature public investment projects and promote private investment to foster the economic recovery. Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, environmental infrastructure and sustainable transport, contributing to a progressive decarbonisation of the economy, including in the coal regions.

Policy summary

In order to provide effective support to enterprises to overcome the negative consequences of COVID-19 under the Operational Program "Innovation and Competitiveness" 2014-2020 (OPIC) funds amounting to BGN 1.11 billion (ERDF) and national co-financing), incl. working capital grants and financial instruments are targeted at small and medium-sized enterprises (SMEs). Of these, nearly BGN 258 million from OPIC have been provided for the implementation of the Recovery Program, the purpose of which is to facilitate business access to loans for recovery after the phasing out of measures related to the COVID-19 pandemic, and funds in the amount of BGN 818 million (including BGN 133 million from REACT-EU) were provided to working capital companies in the form of grants. Beneficiaries of liquidity support are SMEs from all sectors (manufacturing, services, trade, tour operators, travel agencies, bus and / or coach undertakings) affected by the crisis and facing a shortage of funds. Working capital support is provided by announcing various grant procedures targeted at specific sectors most affected by the pandemic (eg travel agents and tour operators; transport companies; companies whose activities have been suspended as a result of temporary anti-epidemic measures, etc.). The other measures are aimed at a specific category of enterprises – micro and small enterprises; medium-sized enterprises; small enterprises with a turnover above certain thresholds, thus making it possible to better adapt the measures to the specific needs of the SMEs concerned.

The funds under OPIC from the tranche for 2022 of the REACT-EU instrument in the amount of BGN 136 million are planned to be used to restore the investment activity of enterprises by providing support for the acquisition of energy efficient technologies by SMEs.

Under cohesion policy, under the Innovation and Competitiveness in Enterprise Program 2021-2027, more than BGN 2.9 billion has been earmarked to support enterprises in order to achieve smart and sustainable growth of the Bulgarian economy, as well as for the implementation of industrial and digital transformation. The support is targeted at enterprises at different stages of development and takes the form of both grants and financial instruments to provide flexible access to finance in key development areas.

Measures to provide effective support for the recovery of SMEs are also provided under the NRRP, as the main set of investments is provided under the Economic Transformation Program (part of the NRRP).

Bulgaria's National Strategy for SMEs is based on the ten principles of the Small Business Act, and for each programming period the document is adapted in accordance with economic trends and the European Strategy for SMEs.

The National Strategy for SMEs 2021-2027 is a key strategic document for the next programming period, which sets the vision for the state policy in support of SMEs and reflects the EU policy towards SMEs.

The strategy maintains its focus on access to finance for SMEs, which remains one of its six priorities. The specific instruments for financing the set measures are developed and implemented by the Ministry of Innovation and Growth (MIG), the Bulgarian Development Bank (BDB), the Fund Manager of Financial Instruments in Bulgaria and others. Implementing these instruments is expected to improve access to finance for micro and small enterprises, increase the productivity of SMEs and ensure their sustainable development; accelerating the process of expansion and increasing the competitiveness of technological start-ups.

The investment policy pursued by the MIG contributes to achieving the objectives of promoting private investment through the following activities:

- In implementation of CSR 3 and in order to develop new instruments for investment policy, such as a state aid scheme for large strategic investors, analysis and recommendations for opportunities for

special economic zones in 2021, the implementation of the project "Development of investment promotion policy for increasing the competitiveness of the Bulgarian economy", funded by the EC under the SRSP (Technical Support Instrument).

- Programme 7 of the NRRP "Programme for support for the development of industrial zones and parks and improving their infrastructural connectivity in order to attract investment" addresses CSR 3 in terms of improving investment conditions. With a budget of BGN 216.5 million in the period 2022-2026, construction of infrastructure for industrial zones is envisaged.
- Obtaining the status of associate member of the OECD Investment Committee – in November 2021 the Review of Investment Policy of Bulgaria was presented and successfully defended and in early 2022 Bulgaria received an invitation to join the Declaration on Multinational Enterprises and International Investment and raising the status of "guest" to "associate member" of the OECD Investment Committee. These steps are mandatory for Bulgaria's accession to the OECD and at the same time improve Bulgaria's image as an investment destination.
- Increasing the efficiency of the Bulgarian Investment Agency – improving the service to investors and investment marketing.
- Improving the legal framework for investment promotion: In order to attract investment, an amendment to the Investment Promotion Act is envisaged.

The changes in the structure of the Fund manager of financial instruments in Bulgaria (FMFIB) are related to more transparency of financial instruments for capital investments. In 2021, an Advisory Board was introduced, which includes representatives of all governing bodies and independent members. Changes were introduced in BDB in order to improve the financing of SMEs and their competitiveness.

In order to promote resource efficiency and the circular economy through sustainable waste management, investments with funds from the ESIF under the Operational Program "Environment" 2014-2020 (OPE) amounting to over 330 million euros (BGN 648, 4 million) are focused mainly on: design and construction of composting plants and plants for pre-treatment of municipal waste, composting plants for separately collected green and / or biodegradable waste, anaerobic plants for separately collected biodegradable waste, design and construction of an installation for combined energy production in Sofia with utilization of RDF – third phase of an integrated system of municipal waste treatment facilities of Sofia Municipality, demonstration projects in the field of waste management. It is envisaged that the implementation of the projects will provide additional capacity for waste recycling up to 240,000 t / year. and additional capacity for utilization of household waste (for energy production) up to 180,000 t / year. The work on closure and reclamation of the old landfills, which do not meet the regulatory requirements, continues, as the contribution from the financing with funds from OPE is for reclamation of 57 landfills, subject to procedure for violation of EU law in case C-145/14.

Bulgaria is making significant efforts to implement the overall reform of the water supply and sewerage (WSS) sector in order to achieve consistency and sustainability in setting and implementing investment priorities in consolidated water and sewerage areas. An integrated approach to financing investments in the water supply and sewerage sector is applied, which includes, on the one hand, the preparation of regional pre-investment studies to determine priorities for investments in water supply and sewerage infrastructure, and on the other – design, construction, rehabilitation and reconstruction of facilities for the treatment of drinking water, water supply networks, sewerage networks and wastewater treatment plants (WWTPs), in order to ensure priority protection of water resources from pollution and harmful effects, efficient use of water resources and cost-effective operation of water supply and sewerage systems in agglomerations with more than 10,000 population equivalent (p.e.). In addition, activities have been implemented for development and strengthening of the institutional environment and capacity for effective management of the water supply and sewerage sector and provision of quality water supply and sewerage services in accordance with the requirements of EU legislation and international practices.

The connection of the population to improved water supply and sewerage services is growing in a constant and stable trend. The currently implemented projects in the water supply and sewerage sector are implemented with significant financial resources from the ESIF under OPE – amounting to over EUR 1 billion (BGN 2.146 billion). 16 regional pre-investment studies have been developed for 16 separate territories and the development of an additional 6 territories (out of a total of 28 in the country) for the implementation of water supply and sewerage infrastructure projects in agglomerations of more than 10,000 population equivalent (p.e.) in the

period 2021-2027 has been financed. The implemented projects are expected to achieve the set goals by 2023, significantly increasing the additional number of inhabitants with access to improved water supply, the number of inhabitants with access to improved wastewater collection and treatment, as well as and the number of constructed / reconstructed WWTPs.

Also with European funding of approx. EUR 320 million (BGN 623.2 million), investments in activities for the implementation of the National Program for Improving Air Quality 2018-2024, the National Program for Air Pollution Control (2020-2030) and municipal programmes for air quality continue, in order to reduce the total emissions of certain pollutants and achieve and maintain the levels of controlled air pollutants in accordance with the norms set out in national legislation. The interventions are mainly to support municipal measures to improve ambient air quality, aimed at domestic heating, and to address transport as a source of air pollution. Measures to reduce the amount of pollutants are expected to cover nearly 3 million people by 2023.

In order to protect, maintain and restore ecosystems and their inherent biodiversity, investments with OPE funds amounting to over EUR 63 million (BGN 123.7 million) are aimed at: improving the conservation status of species and types of natural habitats on the territory of the Natura 2000 network, falling into national parks, nature parks and maintained reserves; implementation of priority measures in wetlands and measures to improve the conservation status of birds; improving the conservation status of natural habitats, as well as improving the conservation status of Natura 2000 species through the community-led local development (CLLD) approach in the territory of local action groups.

The process of issuing orders for declaring protected areas for habitats continues, and orders for declaring the last 48 protected areas for habitats remain to be issued. A total of 185 orders were issued. The development of specific and detailed nature protection goals for a number of protected areas is underway.

As part of the national policy to reduce greenhouse gas emissions and adapt to climate change, continues financial support for projects to reduce greenhouse gas emissions under the Climate Investment Program (CIP) and the Climate Microproject Program of the National Trust Eco-Fund, as well as under the Financial Mechanism of the European Economic Area. At this stage, the CIP is the most advanced, as the program has implemented measures to reduce energy consumption in 114 public buildings and purchased 63 electric vehicles for the needs of the administration.

The planned investments with EU funds in the next programming period are focused on interventions promoting the transition to a circular economy, incl. reducing the amount of landfilled waste. The measures under the Program "Environment" (EnvP) 2021-2027 are focused mainly on the completion / upgrade of municipal and regional systems for municipal waste management, including measures to prevent the generation of waste, to separate waste collection and recycling, to pre-treat mixed waste before disposal, etc. Awareness-raising measures on sustainable consumption and the circular economy will also be supported, as well as information and awareness campaigns for stakeholders and the population.

Interventions in the field of integrated water management, aimed at protection and improvement of water status and achieving and maintaining good quantitative, chemical and ecological status of water bodies in Bulgaria and achieving and maintaining good environmental status in marine waters, will continue to be a top priority. The resources are mainly directed to the realization of eligible investments for agglomerations of more than 10,000 population equivalent (p.e.) in the period 2021-2027. Support is also provided for conducting national studies to increase the reliability of assessments of pressure, impact and condition of water bodies and new methods for assessment of the condition and monitoring of activities for the updating of the river basin management plans (RBMP) for the period 2028-2033. The NRRP envisages funds for the implementation of the project "Program for construction/completion/ reconstruction of water supply and sewerage systems, incl. and wastewater treatment plants for agglomerations between 2,000 and 10,000 population equivalent (p.e.)" for WSS infrastructure in smaller agglomerations. This instrument also envisages a project "Digitalization for integrated management, control and efficient use of water", which includes activities to improve water quantity management by improving the control and digitization of the water use process to ensure the minimum allowable runoff of surface waters and improving information on water resources by automating measurements. An additional objective of digitization activities is to promote good practices in the use of water saving and reuse technologies in all sectors and to reduce water losses in order to improve adaptation to climate change.

Investments aimed at improving the purity of the air and addressing the two main sources of pollution – domestic heating and transport will continue.

Interventions in the field of protection, maintenance and restoration of ecosystems and their inherent biodiversity will cover both measures aimed at improving the conservation status of natural habitats and species subject to conservation in the Natura 2000 network, and measures for protection / restoration of ecosystems and biological diversity outside Natura 2000. In this regard, the National Framework for Natura 2000 Priority Actions (NFNPA) for the programming period 2021-2027 has been approved by the EC. The Framework for 2021-2027 is a tool for strategic multiannual planning in order to ensure a comprehensive review of the measures needed to manage the Natura 2000 network and related environmental infrastructure. 74 administrative and conservation measures for preservation and / or restoration of favorable conservation status of natural habitats and species of interest to Bulgaria and the EU are included.

Support for measures to promote adaptation to climate change, disaster risk prevention and resilience , taking into account ecosystem approaches, is also envisaged.

The GIS-based Single Information Point (SIP) electronic platform has been set up in accordance with the provisions of Directive 2014/61 / EU of the European Parliament and of the Council and the Electronic Communications Networks and Physical Infrastructure Act. The SIP shall consolidate and systematize information on the procedures and regulations governing the deployment and maintenance of infrastructure, including the authorities competent to issue acts in the field and their respective fees; ensure access to all available models of documents for obtaining permits and other acts related to the construction of infrastructure; provides conditions for filling in and submitting electronically applications and documents necessary for the deployment and maintenance of electronic communications networks and physical infrastructure, as well as for receiving information on the progress of their examination by the competent authorities. The Ministry of Transport and Communications will launch in 2022 a project for development and upgrade of the system based on feedback received from network operators as key users in order to improve existing functionalities.

The project for upgrading the system will include functionality to automate the process from applying for an investment intention to obtaining a permit for use, based on the project for building a Unified Information System (UIS) for spatial planning, investment design and construction permits of the Ministry of Regional Development and Public Works (MRDPW). This will reduce the administrative burden for investors and automate reporting with metrics for deadlines for approval, review and approval of projects in order to facilitate the process for businesses. To optimize the process, it will be possible to automatically notify and generate a shared schedule for upcoming repair activities, locations, nature of work, start and end, etc., which will help repair damage from accidents, reduce costs for support from network operators for shared use of infrastructure, reduction of connectivity violations and improving the quality of services.

The SIP will collect data on geographic surveys for the deployment of networks and will be upgraded with a new module that will provide information on the availability of broadband at the address level where possible. A new data subsystem creating thematic broadband maps will be developed and implemented. In addition, layers and searchability in the information system will be added for available coverage and speeds to the area and / or address for mobile and fixed networks in order to facilitate the choice of the end customer when choosing an operator.

It is planned to expand the capacity of the GIS-based electronic platform by building functionalities for the establishment of a National Access Point to information services for multimodal travel, providing cross-sectoral synergies and improving services for the end users.

The project "Support to the pilot phase for the introduction of building information modeling (BIM) in investment design and construction as a basis for digital reform of the construction sector in Bulgaria" aims to introduce BIM in investment design and construction, which will lead to unlocking of the potential of digital capacity of the construction industry and will put the construction sector in Bulgaria on a competitive level among its partners in the EU. The successful implementation of the project will also help to build the capacity for digitalization of the public and private sectors. The digitalization of the construction sector in Bulgaria will contribute to increasing its competitiveness, productivity, sustainable growth and its attractiveness, as well as to creating conditions for attracting foreign investment.

The housing sector in Bulgaria is characterized by high energy intensity. According to an analysis of the national housing stock of the Republic of Bulgaria by 2020, only 7% of the inhabited residential buildings (built after 2010 or existing renovated) are in accordance with current regulatory requirements for energy efficiency. Buildings with poor energy performance (energy consumption classes E, F and G) account for 91% of the total

number of non-renovated buildings, with the buildings with the highest energy consumption (class G) accounting for 18%. The necessary investments for increasing energy efficiency and renovation of the building stock according to the Long-Term National Strategy for Supporting the Renovation of the National Building Fund from Residential and Non-Residential Buildings for the period 2021-2030 alone exceed BGN 4.6 billion.

Along with the significant investment needs, an obstacle to the more intensive development of energy efficiency activities is the administrative burden (for both households and companies), accompanying the process of renewal in taking measures to increase energy efficiency. There is a need to take action to facilitate the process of renewal and support of citizens and businesses with information and technical assistance on regulatory, technical and financial issues related to improving the energy efficiency of the housing stock.

Within the framework of the NRRP, the Ministry of Regional Development and Public Works (MRDPW) developed a project proposal "Support for sustainable energy renovation of the housing stock". The project aims to increase the energy efficiency of residential buildings in the country by transforming them into buildings with an energy consumption class of at least B and achieve at least 30% savings in primary energy. For the purposes of the implementation of the draft proposal, two reforms are envisaged: the reform "Establishment of units on the principle of "One-stop shop" and the reform 2 "Amendment of the Condominium Management Act".

A similar investment of the MRDPW under the NRRP is the project "Support for sustainable energy renovation of non-residential buildings", which aims to achieve class A energy consumption of public and commercial buildings and achieve at least 30% savings in primary energy.

In response to the recommendations related to sustainable transport, the implementation of projects for integrated urban transport continues under OPRG 2014-2020. The NRRP includes a reform for sustainable urban mobility, which aims to invest in urban mobility only in accordance with the developed Sustainable Urban Mobility Plans (SUMPs) of municipalities in accordance with the recommendations of the EC. In support of the reform, the investment "Green Mobility" is planned – a pilot scheme to support sustainable urban mobility through measures to develop environmentally friendly, safe, functional and energy efficient transport systems. Based on the experience of the pilot scheme, the financing of partnership projects for investments in accordance with the SUMP of the municipalities will continue under the PDR 2021-2027.

OP "Transport and Transport Infrastructure" 2014-2020 finances measures to improve railway transport and completion of the metro in Sofia. The projects under the TEN-T network for Rehabilitation of the railway line Plovdiv-Burgas Phase II and for Modernization of the railway line Sofia-Plovdiv in the section Elin Pelin-Kostenets are being implemented. The program finances the reconstruction of the station complexes in Stara Zagora, Nova Zagora and Karnobat, which remain outside the scope of the project for modernization of the railway line Plovdiv-Burgas, phase II, as well as the reconstruction of the station complexes Iskar, Kazichane and Poduene, which fall outside the scope of the sections Sofia-Plovdiv and Sofia-Elin Pelin. The project for construction of a third metro diameter (line 3) of the metro in Sofia, Phase 1: "Blvd. Vladimir Vazov – Center – Zhitnitsa Street was put into operation on August 26, 2020. Phase 2 of line 3 – section Zhitnitsa – Ovcha Kupel – Sofia Ring Road" was put into operation on April 24, 2021. Providing operational capital for the Bulgarian micro and SMEs performing bus transportation to deal with the consequences of the COVID-19 pandemic is the main goal. of project BG16RFOP002-2.079-0002-C01 "Support for SMEs performing bus transport to overcome the economic consequences of COVID-19 through the implementation of a support scheme by the Ministry of Transport, Information Technology and Communications".

Small and medium-sized enterprises are a key and leading force in the bus sector for the development of competitive and quality services, as well as for ensuring stable economic growth and sustainable employment. The project assistance is aimed at overcoming and limiting the negative socio-economic consequences of the pandemic. The implementation of the project will provide short-term assistance to support SMEs operating bus services in order to maintain their activities and ensure job stability.

The global spread of the COVID-19 pandemic and the quarantine measures introduced have disrupted almost all economic activities, both globally and at European and national level. In this regard, the focus of the current grant scheme, in line with the specific objective of Investment Priority 2.2. of PA 2 of OPIC, is aimed at economic units that have the potential to recover and overcome the economic consequences of the COVID-19 pandemic, namely micro, small and medium enterprises.

As a result of the implementation of the planned activities under this investment priority and the current scheme, it is expected to achieve a positive effect on the development of Bulgarian SMEs in the transport sector by providing support for micro, small and medium enterprises operating for bus services, overcoming the shortage of funds or lack of liquidity resulting from the COVID-19 epidemic.

At present, the grant under 580 contracts of bus carriers has been provided with a total value of BGN 29,1 mln.

The EU's ambitious climate targets of a net reduction in greenhouse gas emissions of at least 55% by 2030 compared to 1990 levels and a commitment to climate neutrality by 2050 pose a number of challenges for Member States, with a high share of coal energy in their energy mix and with energy-intensive economies, including Bulgaria.

At the same time, the current situation in energy markets and the volatility of energy prices are challenging the achievement of these goals and even more clearly outline the urgent need for a well-managed energy transition, strongly supported by the necessary financial resources and support for the most affected.

One of the most important financial mechanisms in terms of supporting a fair transition is the Just Transition Mechanism. The funds provided by the Fund for Bulgaria amount to 1.178 billion euros in support of economic diversification, retraining and job search, as well as investments that are favorable to the climate and environment in the most affected areas.

The Ministry of Energy, as the agency responsible for developing territorial plans for a fair transition, is making every effort to intensify work on preparing territorial plans and preparing adequate assessments of the economic and social effects of the transition in the affected regions. In this regard, the Ministry of Economy, together with the consultants from PricewaterhouseCoopers Bulgaria, is currently developing three forecast scenarios for the transition to a low-carbon economy and assessing their impact on the three coal regions. The aim is for the scenarios to serve and support the process of strategic decisions for the green transition in Bulgaria through comparative assessments of the effects (social and economic). The development of scenarios takes into account the time horizon of the Just Transition Mechanism, which allows for the financing of measures until 2026 for about half of the funds and 2030 for the rest.

In addition, the ME seeks to intensify dialogue and actively involve a wide range of stakeholders in the process, as a fair transition is a joint effort and involvement of local communities and a wide range of stakeholders is a necessary condition to meet new challenges, providing a lasting perspective for the coal regions that will be most affected.

The indicative date for the cessation of the use of coal for energy production is 2038, provided that this indicative date is confirmed by the National Assembly. This year shows ambition to accelerate the process compared to the already approved Integrated National Energy Plan – Climate (INPEC). It is also planned to establish a Commission for Energy Transition to develop scenarios for decarbonisation of the country's economy, which include various indicative dates for the phasing out of coal use. Based on the scenarios, the Commission will also develop a Roadmap for the phasing out of coal use, which will include concrete steps until 2024, 2026, 2030, 2035 and 2038. All of them will be proposed for a decision of the National Assembly. The specific capacity to be built will depend on system modeling and the application of carbon intensity criteria and operating hours on an annual basis, as well as on initial investment intentions for replacement capacity. The model should show what is the optimal mix that can reduce emissions by 40% by 2026.

The INPEC of the Republic of Bulgaria 2021-2030 envisages the country to increase the level of ambition for 2030, envisaging a share of energy from renewable sources of at least 27%. In this way, Bulgaria will contribute to the maximum extent to the faster growth of energy consumption from renewable sources and the achievement in 2030 of at least 32% share of renewable energy in gross final energy consumption in the European Union.

Renewable energy sources participating in the energy mix of the Republic of Bulgaria are currently not able to fully participate in balancing the electricity system, covering peak loads and providing market-based services for flexibility and ancillary services. In addition, it is necessary to ensure the security of electricity supply in connection with the "green transition". The aim of the project is to significantly contribute to solving these problems by purchasing, installing and putting into operation a national infrastructure of electricity storage facilities with a total charged energy capacity of 6000 MWh. The facilities will be strategically distributed

evenly on the territory of the Republic of Bulgaria, located close to the installed and to be deployed renewable generating capacities. The indicative value for the realization of the investment amounts to BGN 1,563 bln.

Findings from the National Report for Bulgaria for 2020

Policy response

Bulgaria still lacks a circular economy strategy .	A public procurement contract with subject “Preparation of plans and strategic documents in the field of waste management” is implemented. A separate position is included as follows: “Development of a strategy and action plan for transition to a circular economy of the Republic of Bulgaria for the period 2021-2027 ”
Waste management continues to be a challenge.	Investments with funds from the ESIF under OPE 2014-2020 in the amount of over 330 million euros (648.4 million levs) are aimed mainly at improving the management of municipal waste at the regional and municipal level, including for separate collection and recycling of household waste, for pre-treatment before disposal of mixed collected waste, etc.
There are large investment needs in the water sector.	Projects in the water supply and sewerage sector continue to be implemented with significant financial resources from the ESIF under OPE – amounting to over EUR 1 billion (BGN 2.144 billion) for the period 2014-2020. Financial resources are also envisaged under EnvP 2021-2027. The NRRP envisages the provision of funds for water supply and sewerage infrastructure in smaller agglomerations with a size of between 5,000 and 10,000 population equivalent (p.e.). Implemented activities for development and strengthening of the institutional environment and capacity for effective management of the water supply and sewerage sector and provision of quality water supply and sewerage services. Activities for updating the RBMP are also supported.
Air quality in Bulgaria continues to give cause for severe concern.	The interventions for support with funds from OPE of measures of the municipalities for improvement of the air quality, directed to the domestic heating and for addressing the transport as a source of air pollution continue. Measures to reduce the amount of pollutants are expected to cover nearly 3 million inhabitants by 2023. It is planned to introduce and implement a Mechanism for National Investments in Improving Air Quality (AQ) in 2022. The mechanism will address the main problem of the country in terms of air quality at the national level – excessive levels of fine dust particles.
Major threats to nature and biodiversity remain	In connection with the management of protected areas of the Natura 2000 ecological network, efforts are focused on introducing a new approach to the management of the Natura 2000 ecological network. The development of specific and detailed nature protection objectives for a number of protected areas is underway. Measures to improve the conservation status of species (including birds) and natural habitats are financed with funds under OPE in the amount of over EUR 63 million (BGN 123.7 million).
Bulgaria’s current level of preparedness for responding to climate impacts is low.	Measures to mitigate and adapt to climate change are funded by the National Trust Eco Fund (NTEF) and the program "Environmental Protection and Climate Change" of the Financial Mechanism of the European Economic Area 2014-2021. 2027 on measures to promote adaptation to climate change, disaster risk prevention and resilience , taking into account ecosystem approaches.

Table 2-3: Measures addressing SR 3, part of Annex 1

Policy area	Name of the measure	Information on measures taken and planned					Expected effect, incl. budget	Effect indicators with current and target value
		Brief description of the measure	Starting date	Current status (as of April 2022)	Forthcoming stages in the implementation of the measure until the deadline for its implementation (after April 2022)	End date		
1	2	3	4	5	6	7	8	9
Providing effective support for SMEs	Grants for SMEs to overcome the economic consequences of the COVID-19 pandemic	Providing working capital and investment funds in the field of energy efficiency for Bulgarian SMEs to deal with the consequences of the COVID-19 pandemic.	2020	<p>Under OPIC, 6 grant procedures have been announced, the aim of which is to provide working capital to SMEs affected by the COVID pandemic;</p> <p>Funds in the amount of BGN 739.9 million were paid to SMEs.</p> <p>The conclusion of the contracts with the last approved enterprises, the reporting of the measures and the finalization of the payments to the last contracts in progress are in the process of finalization;</p> <p>The procedure "Recovering SMEs by improving energy efficiency" has been announced for public discussion</p>	<p>Completion of the implementation and reporting of the measures with grant for working capital;</p> <p>Application, approval and implementation of projects under the procedure "Recovery of SMEs by improving energy efficiency"</p>	2023	BGN 954.9 million	<p>Enterprises that are not in liquidation for a period of 3 months after the completion of the project: 21 772</p> <p>SMEs that have resumed or maintained their activity three months after the restoration of business conditions: 2,590;</p> <p>Number of enterprises supported for recovery by improving their energy efficiency – 818;</p>
Providing effective support for SMEs	Providing support to enterprises under the program "Competitiveness and Innovation in Enterprises" 2021-2027 (CIPE)	Providing support to enterprises in order to achieve smart and sustainable growth of the Bulgarian economy, as well as the implementation of industrial and digital transformation.	2022	A draft of the UCITS has been prepared, public consultations of the program have been held	Official submission of the UCITS to the EC, approval of the program and start of the first procedures under it	2029	BGN 2.9 billion (ERDF and national co-financing)	<p>Enterprises increased their innovation capacity – 1,389;</p> <p>SMEs have introduced technologies from Industry 4.0 – 429;</p> <p>SMEs increased their growth and competitiveness – 9,300;</p> <p>Enterprises that have introduced EE technologies and VI -182;</p>

1	2	3	4	5	6	7	8	9
								SMEs that have introduced the principles of the circular economy – 967;
Encouraging investment to job creation in high-tech sectors and areas with high unemployment	Financial incentives for job creation in enterprises in high value-added sectors. Issuance of certificates for investment class and priority project under the Investment Promotion Act (IPA).	Allocation of financial resources for the implementation of the incentive measures under the IPA, incl. for partial reimbursement of the employer's insurance costs for the new jobs created.	January 2018	For the period 01.01-31.12.2021, 31 certificates were issued under the IPA, providing for the creation of 2,617 new jobs. Investments in certified projects amount to a total of BGN 1,220.19 million. Of all certified projects, 16 are in high-tech industries and services. Of the total number of projects, 23 are outside Sofia.	According to the medium-term budgetary forecast, the following indicative values are foreseen: For the period January 1. 2022– December 31, 2022, it is planned to certify 28 IPA projects with a total value of BGN 600 million, providing for the creation of 1,500 new jobs. For the period January 1. – On December 31, 2023, it is planned to certify 30 IPA projects with a total value of BGN 650 million, providing for the creation of 1,500 new jobs. For the period January 1. – On December 31, 2024, it is planned to certify 31 IPA projects with a total value of BGN 700 million, providing for the creation of 1,500 new jobs. In total, in the period 2022-2024, it is planned to provide incentives to 51 of the certified projects with a total investment of BGN 969 million, providing for the creation of 1,785 new jobs. Within 2022, it is planned to provide incentives for 16 of the certified projects with a total investment of BGN 304 million, providing for the creation of 560 new jobs.	2024	Growth of investments and employment in the high-tech sectors and in the regions with high unemployment;	1 / Employment rate in sectors with high added value (change) – 5.5% growth in 2022 compared to 2019; 2 / Share of newly created jobs in high value-added sectors (as% of all newly created jobs under IPA-certified projects) – 77%
To focus investments in the field of ecological transition	Applying the hierarchy in waste management, preventing its generation, promoting its reuse and recovery through recycling, reducing land-fillings and limiting their harmful effects on the environment and human health.	Investments in facilities, systems and business models for the use of waste as resources in support of the circular economy. Investments to provide the necessary infrastructure for the treatment of municipal waste generated in the country.	2015	Under OPE 2014-2020, 154 administrative grant contracts (AGC) have been concluded in the sector so far. with a total grant value of BGN 647.6 million. The projects include: design and construction of composting plants and plants for pre-treatment of municipal waste (completed projects implemented by municipalities of 6 regional associations for waste management (RAWM), continue those of 12 RAWM); design and construction of anaerobic installations for separately collected biodegradable waste (projects of municipalities from 3 RAWM are being implemented); design and construction of composting plants for separately collected green and / or biodegradable waste (completed projects of 6 municipalities, 9 more projects are under implementation);	Implementation of projects under AGC under OPE 2014-2020 Evaluation of submitted project proposals under OPE 2014-2020, conclusion of contracts for the same and their implementation. Preparation and announcement of procedures under EnvP 2021-2027 to support: measures for development / upgrading of infrastructure related to municipal waste management at the regional level of waste management to achieve the 2030 targets for waste recycling and waste disposal; measures for the establishment of centers for preparation for reuse and repair; waste recycling measures – ad-	2023	OPE 2014-2020: BGN 576.2 million, of which BGN 489.8 million from the ERDF and BGN 86.4 million from national funding. PEPCC of the EEA FM 2014-2021: BGN 2.7 million from the EEA FM and	According to OPE 2014-2020: 1. Additional capacity for recovery of household waste (for energy production) – 180 000 t / year. until 2023 2. Additional capacity for waste recycling – 240 000 t / year. until 2023 3. Completed technical recla-

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				<p>installation for combined energy production in Sofia with utilization of RDF – third phase of an integrated system of facilities for treatment of municipal waste of Sofia Municipality; demonstration (pilot) projects in the field of waste management (in progress – 60 projects; completed – 1); reclamation of landfills, subject to a infringement procedure for violation of EU law in case C-145/14 (21 projects implemented, 33 in progress); financial instruments in the Waste sector; implementation of a decentralized model for bio-waste management in one of the regions in Bulgaria (municipalities of Sevlievo, Dryanovo and Suhindol), including construction of the necessary technical infrastructure – separate collection system and recycling facility (completed).</p> <p>Under the call "Circular Economy and Resource Efficiency" under the program "Environmental Protection and Climate Change" (PEPCC) of the Financial Mechanism of the European Economic Area (EEA FM 2014-2021), 4 contracts were concluded with a grant value of 2.7 million BGN. The call is aimed at improving waste management at the municipal level and their use as a resource through the implementation of municipal schemes for separate collection and recycling of waste.</p>	<p>missible in combination with separate collection and pre-treatment; measures for construction, expansion and / or upgrading of municipal / regional systems for separate waste collection and / or for recycling of separately collected waste; prevention measures, etc. to achieve the 2030 targets for recycling and reducing the amount of landfilled municipal waste. The measures are aimed at the identified needs in the National Waste Management Plan for the period 2021-2028 (NWMP 2021-2028). The investment measures are mainly aimed at supporting the completion of infrastructure for the regional associations for waste management, included in Annexes 6, 7 and 8 of the NWMP 2021-2028.</p> <p>Implementation of the contracts under the PEPCC program of the EEA FM 2014-2021</p> <p>Implementation of the activities for reclamation of landfills for solid household waste.</p>		BGN 0.2 million national funding.	mation of landfills, subject to a infringement procedure for violation of EU law in connection with the Judgment of the Court of Justice of the European Union of 16.07.2015 in case C-145/14 – 57.
	Introduction and application of an integrated approach for realization of priority investments in the water supply and sewerage infrastructure.	Investments in construction, rehabilitation and modernization of water supply and sewerage infrastructure for agglomerations with over 10,000 equivalent inhabitants and agglomerations between 2000 and 10,000 equivalent inhabitants. Implementation of the launched overall reform in the water supply and sewerage sector in order to achieve consistency and Resilience in determining and implementing investment priorities in consolidated water supply and sewerage areas.	2015	<p>Under OPE 2014-2020, 43 AGC have been concluded so far in the Water Sector. with a total grant value of BGN 2.144 billion.</p> <p>The projects include: support for regional investment planning of the water supply and sewerage sector – preparation of regional pre-investment studies (RIP) (a project is underway to develop 6 RIP for newly consolidated territories, for another 15 RIP, including Sofia Municipality, projects completed); supporting the efficiency, management and institutional capacity in connection with the implementation of the reform in the water supply and sewerage sector (completed); construction of water supply and sewerage infrastructure, incl. second phase of projects for construction of water supply and sewerage infrastructure, the implementation of which started under OPE 2007-2013 and early water</p>	<p>Implementation of projects under concluded AGC under OPE 2014-2020</p> <p>Preparation and announcement of procedures under EnvP 2021-2027 to support: infrastructure measures for the collection, disposal and treatment of wastewater contributing to compliance with Directive 91/271 / EEC and water supply in connection with Directive 98/83 /EC with a contribution to reducing water losses in the water supply network and improving the quality of drinking water; development of the RIP for future financing for newly consolidated regions – after consolidation of the last 6 districts in the country.</p>	2023	<p>OPE 2014-2020: 1,87 billion levs, of which 1.59 billion levs from the CF and 281 million levs national funding (state budget). EMEPA / State budget: BGN 85.8 million</p> <p>NRRP: BGN 412.6 million</p>	<p>According to OPE 2014-2020: Additional number of residents with access to improved wastewater treatment – 1,900,000 population equivalent (p.e.) until 2023</p> <p>Built / rehabilitated / reconstructed wastewater treatment plants – 25. until 2023</p>

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				<p>supply and sewerage projects (in order to ensure continuity of the process of construction of water supply and sewerage infrastructure until the preparation of RIP) ((completed 7 projects, in progress – 24);</p> <p>regional investment water supply and sewerage project for the separate territory of WSS EOOD Smolyan; development and introduction of methods for analysis of water, sediments and biota and retrofitting of laboratories of the Executive Environment Agency (completed); improving the monitoring of drinking water quality; completion of the networks for monitoring the amount of water; improving the monitoring of the chemical status of groundwater; preparation of environmental assessments for the purposes of adopting the RBMP for the period 2016 – 2021 and the Marine Strategy and the program of measures; PURB 2022-2027; financial instruments in the Water sector (concluded loan agreements with the European Bank for Reconstruction and Development of 4 WSS Operators).</p> <p>Implemented with funds from EMEPA / State budget: projects for small water supply sites of 32 municipalities worth BGN 29.6 million; projects for collectors and sewers of 22 municipalities worth BGN 23.5 million; WWTP projects in 3 municipalities worth BGN 8.8 million. Projects for water supply sites in 5 municipalities worth BGN 19.2 million and a project for sewerage in 1 municipality worth BGN 4.7 million are being implemented with funds received as repayment of old liabilities from fees under the Water Act.</p>	<p>Continuation / completion of the implementation of the started and financing of new projects by the Enterprise for Management of Environmental Protection Activities (EMEPA) / State budget.</p> <p>Organization and implementation of projects within the NRRP: "Program for construction / completion / reconstruction of water supply and sewerage systems, incl. and waste water treatment plants for agglomerations between 2 000 and 10 000 population equivalent (p.e.)"; "Digitalization for integrated management, control and efficient use of water".</p>		<p>from the RRM and BGN 22.3 million national funding</p>	<p>Additional population with access to improved water supply – 1,800,000 by 2023</p>
	<p>Reducing the levels of pollutants and reaching the established norms in the areas with impaired air quality.</p>	<p>Investments in activities for implementation of the National Program for Improvement of Atmospheric Air Quality 2018-2024, the National Program for Air Pollution Control (2020-2030) and the Municipal Programmes for Air Quality in order to reduce total emissions of certain pollutants and achieving and maintaining the levels of controlled air pollutants in accordance with the norms set in the national legislation.</p>	2015	<p>Under OPE 2014-2020, 42 AGC have been concluded so far with a total grant value of just over BGN 623 million.</p> <p>Projects include:</p> <p>Development / Update of the Municipal Programmes for Air Quality programmes (18 projects have been completed, the implementation of 3 continues);</p> <p>Measures of the municipalities for improvement of the quality of the air, directed to the domestic heating (in implementation – 8 projects);</p>	<p>Implementation of projects under concluded AGC under OPE 2014-2020</p> <p>Preparation and announcement of procedures under EnvP 2021-2027 to support: measures to reduce air pollution from domestic heating – phased replacement of solid fuel heating appliances with environmental alternatives, combined with measures to support RES in households, receiving heating allowances; introduction of low emission zones from transport; measures to deal with secondary</p>	2023	<p>OPE 2014-2020: BGN 576.9 million, of which BGN 490.4 million from the CF and BGN 86.5 million from national funding (state budget).</p>	<p>1. Population covered by the measures for reduction of the quantities of PM10 and NOx (under OPE 2014-2020) – 3,000,000 inhabitants by 2023 2. Reduction of pollutant emissions for each</p>

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				<p>Measures of the municipalities for addressing the transport as a source of air pollution (12 projects in progress);</p> <p>Establishment of an information system for reporting air quality data as part of the National Real-Time Air Quality Monitoring System (project completed).</p>	<p>dusting – green infrastructure in urban areas; improving the monitoring of air quality. "</p> <p>Financing in 2022 through the EMEPA of measures for improvement of air quality in the amount of BGN 30 million. In the first half of 2022, the Council of Ministers is expected to adopt a Procedure for financing from the EMEPA of measures to improve air quality, which will be implemented through the EMEPA. The mechanism will address the main problem for the country in terms of air quality at the national level with excessive levels of fine particulate matter and will create a new approach to funding measures targeted at the sectors identified, including under Municipal Programmes for Air Quality programmes which make a major contribution to fine dust pollution.</p>		<p>EMEPA: BGN 30 million</p>	<p>year compared to 2005: SO₂ – 78%; NO_x – 41%; NMVOC – 21%; NH₃ – 3%; PM_{2.5} – 20%</p>
	<p>Conservation, maintenance and restoration of ecosystems and their inherent biological diversity.</p>	<p>Investment and legislative activities aimed at effective protection of natural habitats and species of European and national importance in the National Ecological Network and beyond.</p>	2015	<p>Under OPE 2014-2020, within PO 3 "Natura 2000 and Biodiversity" so far 92 AGC have been concluded. with a total grant value of BGN 123.7 million.</p> <p>Projects include:</p> <p>Analyzes and studies of species and natural habitats, subject to reporting under Art. 17 of the Habitats Directive and Art. 12 of the Birds Directive ';</p> <p>Knowledge of Natura 2000;</p> <p>Natura 2000 in the Black Sea;</p> <p>Improving the conservation status of species and types of natural habitats in the Natura 2000 network, falling into national parks, nature parks and maintained reserves (7 projects have been completed and 7 are under implementation);</p> <p>Shared vision for the ecological network Natura 2000 in Bulgaria;</p> <p>Preparation / updating of action plans for species (22 projects are underway);</p> <p>Implementation of priority measures in wetlands (4 are under implementation);</p> <p>Measures to improve the conservation status of birds (10 projects are being implemented);</p>	<p>Implementation of projects under concluded AGC under OPE 2014-2020</p> <p>Evaluation of submitted project proposals under OPE 2014-2020, conclusion of contracts for the same and their implementation. Directing the available residual resource to measures to improve the conservation status of species and / or habitats by announcing a procedure (s) for granting a grant.</p> <p>Preparation and announcement of procedures under EnvP 2021-2027 to support: measures related to the development of the Natura 2000 network; measures aimed at improving the conservation status of natural habitats and species (including birds, fish, bats, reptiles, vascular plants, as well as types of natural habitats – coastal, rocks, dunes, freshwater, shrubby, etc.), subject to protection in the Natura 2000 network; measures for the protection / restoration of ecosystems and their inherent biodiversity outside Natura 2000.</p> <p>Adoption of the Amendments to the Biodiversity Act on the introduction of an approach to the management of Natura 2000 protected areas.</p> <p>Development of specific objectives for protection of 86 protected areas, and for 43 areas they have been developed and their approval</p>	2023	<p>OPE 2014-2020:</p> <p>BGN 135.5 million, of which BGN 115.2 million from the ERDF and BGN 20.3 million from national funding (State budget).</p> <p>NRRP: BGN 93 million from the RRM and BGN 11.5 million national funding.</p> <p>EMEPA: BGN 1.4 million</p>	<p>Area of habitats supported in order to achieve a better degree of conservation – 1,565,668 ha by 2023</p>

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				<p>Improving the conservation status of natural habitats (5 projects are being implemented);</p> <p>Improving the conservation status of species in the Natura 2000 network through the CLLD approach in the territory of local initiative groups (9 projects are being implemented).</p> <p>11 projects with a total value of BGN 1.4 million are being implemented with funding from the EMEPA.</p> <p>The process of issuing orders for declaring protected areas for habitats continues, and orders for declaring the last 48 protected areas for habitats remain to be issued. A total of 185 orders were issued. Development of specific and detailed conservation objectives for a number of protected areas is underway. To date, the development of specific and detailed conservation objectives for a total of 86 protected areas has been commissioned. Approved NFNPF for 2021 – 2027</p>	<p>is pending. The development of specific objectives for the remaining 255 protected areas is planned under the NRRP and is about to start.</p> <p>Starting the implementation of two projects within the NRRP:</p> <p>"Integrating the ecosystem approach and implementing nature-based solutions in the protection of Natura 2000 protected areas";</p> <p>"Restoring key for the climate ecosystems in implementation of the EU Biodiversity Strategy and the objectives of the European Green Deal".</p> <p>Launch of a predefined project under the PEPCC of the EEA FM 2014-2021 "Valuation and integration of ecosystem services".</p> <p>Adoption of a Strategy for Biological Diversity in the Republic of Bulgaria and a National Plan for Conservation and Sustainable Use of Biological Diversity and Genetic Resources 2020-2024. Development of a National Strategy for Medical Plants.</p> <p>Continue implementation of the measures included in the current national action plans for the conservation of endangered species. Approval of 10 new action plans for the conservation of endangered species.</p>			
	Financing measures to reduce greenhouse gas emissions and adapt to climate change.	<p>Financial support for projects to reduce greenhouse gas emissions under the CIP and the Climate Microprojects programmes Program (CMP) of the National Trust Eco Fund (NTEF).</p> <p>Financial support for projects to reduce greenhouse gas emissions and adaptation to climate change under PEPCC of the EEA FM 2014-2021</p>	2015	<p>The following results have been achieved under the CIP:</p> <p>So far, measures have been implemented to reduce energy consumption in 114 sites, including: 40 schools, 22 nurseries and kindergartens, 15 administrative buildings, 8 community centers, 6 public buildings, 6 universities, 7 health services, 4 street lighting and 6 municipal hospitals / clinics.</p> <p>So far, 63 electric vehicles have been purchased.</p> <p>The CMP finances two types of small projects to help mitigate and adapt to adverse climate change:</p> <p>(a) Small infrastructure projects (supply of equipment, software, construction of small infrastructure) leading to direct or indirect reduction of greenhouse gas emissions or adaptation to climate change; and</p>	<p>Evaluation of project proposals under CIP and CMP, conclusion of contracts and implementation.</p> <p>Preparation and announcement of procedures under EnvP 2021-2027 to promote adaptation to climate change, disaster risk prevention and resilience, taking into account ecosystem approaches: measures to prevent and manage the risk of floods and droughts (focus on environmentally friendly measures, if applicable, in combination with gray infrastructure); risk analysis, monitoring and implementation of measures for prevention and protection in case of unfavorable geodynamic processes – landslides, erosions, abrasions (including environmentally friendly infrastructure and in combination with gray infrastructure); measures aimed at increasing the preparedness of the population for an adequate response and improving resilience by providing</p>	2023	<p>Under the CIP: BGN 8.29 million from the NTEF for the implementation of 13 projects. Under the CMP: BGN 0.8 million from the NTEF, part of which is directed to 6 projects.</p> <p>PEPCC of the EEA FM 2014-2021, priority axis "Climate":</p>	<p>Greenhouse gas emissions saved from supported projects to help mitigate adverse climate change: 660,000 tCO₂eq by 2023</p>

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				<p>b) "Soft" projects – activities related to climate change mitigation and adaptation and consisting in the development of strategies / programmes / reports / analyzes.</p> <p>So far, 15 projects have been implemented, including: 8 projects for construction of small infrastructure and 7 "Soft" projects.</p> <p>A predefined project under the PEPCC of the EEA FM 2014-2021 is implemented: "Implementation of innovative measures for mitigation and adaptation to climate change in the municipalities of Bulgaria" with a beneficiary – NTEF worth BGN 5.5 million (grant).</p> <p>Also under the PEPCC of the EEA FM 2014-2021 are concluded and implemented: 2 contracts under the call Small Grant Scheme № 4 Climate worth BGN 544.5 thousand (grant) – for information and educational activities aimed at adolescents; 4 contracts under Open Call № 3 "Climate" worth BGN 3.08 million (grant) – for development and implementation of measures for mitigation and adaptation to climate change by municipalities.</p>	<p>ground capacity to fight forest fires; construction of new and optimization and / or expansion of existing systems for warning, monitoring, reporting; forecasting and signaling; development of digital models, analyzes and forecasts in connection with climate change.</p> <p>Implementation of the projects under the PEPCC of the EEA FM 2014-2021</p>		<p>BGN 12.6 million, of which BGN 10.7 million from the EEA FM 2014-2021 and BGN 1.89 million from national funding.</p>	
Streamline and speed up procedures for providing effective support to SMEs	Support for a pilot phase for the introduction of SIM in investment design and construction as a basis for digital reform of the construction sector in Bulgaria	Introduction of construction information modeling (SIM) in investment design and construction to implement digital reform of the construction sector in Bulgaria in order to increase the competitiveness, productivity, sustainable growth and attractiveness of the construction sector in Bulgaria and create conditions for attracting foreign investment.	2022	<p>The measure will be implemented through the implementation of a project under the NAPE It is envisaged:</p> <p>Development of a module for a unified information system on spatial planning, investment design and construction permits with the possibility of registering in the electronic system of projects developed with construction information modeling (SIM modeling), approval of projects and providing access to them by contractors and control bodies during the construction, as well as to the owners of the put into operation construction.</p> <p>Improving digital skills in terms of employability on a large scale: administration, education, entrepreneurs and construction business, monitoring and management of buildings in operation.</p>	<p>Stage "Capacity building of the SIM community in Bulgaria to provide knowledge and experience related to the implementation of SIM – in the pilot phase" – 01.01.2024 – 30.9.2026</p> <p>Stage "Creating prerequisites for the implementation of a national digital model for SIM" – 01.07.2023 – 30.09.2026</p> <p>Stage Organization and management of the project, information and publicity – 01.07.2022 – 31.12.2026</p>	2026	BGN 9,348 million	<p>Created and functioning website</p> <p>Increased level of competence and efficiency of the public administration</p> <p>Developed national model for SIM and curricula for universities</p> <p>Functioning software infrastructure for working with SIM projects</p>

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Increasing resource efficiency and reducing carbon emissions	Investing in sustainable urban mobility	Financing of projects for integrated urban transport under OPRG 2014-2020 and pilot scheme "Green Mobility" under the NRRP: Construction of transport infrastructure, incl. charging stations, delivery of vehicles for public transport, including zero emissions vehiclesdevelopment of new route linespromoting alternative forms of transport.	2018 OPRG 2022 NRRP	Under OPRG: 10 projects for integrated urban transport are under implementation, 5 have been successfully completed.	Implementation of OPRG projects. Publication of Application Guidelines for the Green Mobility Pilot Scheme	2023 OPRG 2026 NRRP	OPRG2014-2020 – BGN 279.8 million. NRRP BGN 100 million	Under OPRG: expected annual reduction of greenhouse gas emissions – target value 12 623 tons of CO2 eq. ; According to the NRRP: 69 pcs. zero emission vehicles and 27 pcs. charging stations.
Increasing energy efficiency (EE)	Improving the energy efficiency of the building stock	Implementation of measures to increase energy efficiency of residential and administrative buildings	2018 OPRG 2022 NRRP	Under OPRG: A grant under PO 1 "Sustainable and integrated urban development" is being implemented – for the implementation of EE measures in residential and administrative buildings and student dormitories: 54 contracts for EE in residential and administrative buildings have been concluded, and so far 23 contracts have been completed Under PO 2 "Support for energy efficiency in support centers in peripheral areas" 89 contracts for EE in residential buildings and 131 contracts for EE in public buildings have been concluded. A total of 185 contracts have been completed. Under the NRRP: Investment "Support for sustainable energy renovation of non-residential buildings" under the NRRP – – implementation of measures to increase energy efficiency of state and municipal public buildings (including administrative, sports and culture and art) and buildings in the field of production, trade and services. Investment "Support for sustainable energy renovation of the housing stock": The project proposal is aimed at providing financial, organizational and technical assistance to improve the energy performance of the housing stock in the Republic of Bulgaria; transforming the existing model of providing 100% grants for homeowners into a sustainable mechanism with the active participation of administration, owners and businesses.	Implementation of OPRG projects. Publication of Guidelines for applying for support for sustainable energy renovation of the non-residential building stock under the NRRP	2023 under OPRG 2026 according to the NRRP	605.7 million for public buildings under the NRRP BGN 1,176.96 million for housing damage under the NRRP	According to OPRG: Reduction of the annual consumption of primary energy from public buildings – target value 81 921 680 (kWh / year); current value 83,643,334 (kWh / year) Households that moved to a higher class of energy consumption – target value 8,806, current value 7,179. Improved housing infrastructure – total area 3 688 900 sq. M Improved public buildings – total area 1,426,837 sq. M.

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Increasing energy efficiency	Project proposal to the NRRP reform "Establishment of units on the principle of" One-stop shop "	The reform envisages the provision of information and support units, per regional center, which aims to facilitate the implementation of energy renovation projects in the building stock throughout the project cycle of the renovation process, to increase demand for energy efficient services by improving awareness of benefits, trust and motivation among building owners and providing a structured mechanism for obtaining information.	2022	The implementation will start with the start of the implementation of the measures in the NRRP	Establishment of 6 counters by the end of 2022 Creation of the remaining 22 by 2023	2026	Overcoming barriers to investment in energy efficiency in multifamily residential buildings	Target value: 28 one-stop-shop units
Increasing energy efficiency	"Facilitation and efficiency of investments in energy efficiency of multi-family housing"	The reform envisages an amendment to the Condominium Management Act	2022	Establishment of an interinstitutional working group to amend the Condominium Management Act in order to: - Remove barriers to energy efficiency investments in multi-family residential buildings, such as the need to facilitate decision-making by owners of individual sites in multi-family residential buildings; - regulation of the professional management of condominiums in multi-family residential buildings, thus improving the control over the companies performing this activity and ensuring greater responsibility towards consumers; - creation of a legal possibility for establishing a bank account of the condominium – for the funds collected for management and current maintenance, not only for the maintenance of the Repair and Renovation Fund; the bank account should be in the name of the condominium, not a natural person and to facilitate the application for collective loans.	Adoption of the Law on ammendemnt of the Condominium Management Act	2022	Overcoming barriers to investment in energy efficiency in multifamily residential buildings	Target value: amendment of the Condominium Management Act – promulgation in the State Gazette
Reduction of the administrative burden for enterprises incl. by improving e-government	"Establishment of a unified public register for spatial planning, investment design and construction permits",	The aim is to unite the registers of spatial planning, investment design and construction permits, maintained by the Ministry of Regional Development and Public Works, the Directorate for National Construction Control, regional governors, municipal administrations and regional administrations in cities with regional divisions.	2021	At the stage of starting a public procurement for activity 1 of the project "Analysis of regulations, current status of maintained registers and work processes related to the establishment of a Unified Public Register of Spatial Planning, investment design and construction permitting and information system for its service. Preparation of technical assignment for the establishment of a Unified Public Register for Spatial Planning, Investment Design and Permitting of Construction and an information system for its maintenance.	Activity 2 – Establishment of a unified public register for spatial planning, investment design and permitting of construction and information system for its maintenance.	2023	BGN 3.05 million OPGG	1. Number of supported registers – current 0, target 1 2. Supported electronic services for their provision in transactional mode – current 0, target 2 3. Administrations supported

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								for the introduction of complex administrative services – current 0, target min.2 4. Number of normative acts for which impact assessments have been performed – current 0, target 1.
Reduction of the administrative burden for enterprises incl. by improving e-government	"Establishment of a property management system, including a unified register of state and municipal property and a unified reservation system",	The creation of the unified system aims to unite the registers for sites and properties – exclusive, public, private state and municipal property, maintained in the Ministry of Regional Development and Public Works, in the 28 regional administrations, primary budget managers and in 265 municipalities in one common register. , with the exception of those containing acts marked with a security stamp and data representing classified information within the meaning of the CIPA. The consolidation of the registers will ensure economy, systematicity, fast access to data and services, improving the quality, completeness and security of data and optimizing their overall organization, as well as ensuring the official exchange of data from the register through the inter-registry environment. RegiX exchange.	2021	At the stage of starting a public procurement for activity 1 under the project "Preparation of proposals for regulatory changes and draft terms of reference for the construction of a property management system, including a single register of state and municipal property."	Activity 2 – Establishment of a property management system, including a unified register of state and municipal property	2023	BGN 3.1 million OPGG	1. Number of supported registers – current 0, target 1 2. Supported electronic services for their provision in transactional mode – current 0, target 1 3. Number of normative acts for which impact assessments have been performed – current 0, target 2.
Reduction of the administrative burden for enterprises incl. by improving e-government	"Unified information system on spatial planning, investment design and construction permits"	Creating an opportunity for electronic submission of documents, applications and projects, permitting the development and approval of development plans, approval of investment projects, issuance of building permits and commissioning.	2022	A technical specification has been prepared for assigning the elaboration of a detailed technical assignment for the creation of the system and the documentation for starting a public procurement.	Unified information system for spatial planning, investment design and construction permitting has been created Activity 2- Preparation of drafts for amendment of related laws and regulations, incl. creation of a regulatory act for the functioning of the unified information system for spatial planning, investment design and construction permits.	2026	BGN 3,512,000 (NRRP and state budget)	1. Number of created electronic administrative services – current 0, target min. 60 2. Number of created internal electronic administrative services 3. Administrations supported for performing complex administrative services – min. 330

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								<p>4. Number of prepared projects for amendment of normative acts – min. 40</p> <p>5. Administrative services, supported for execution in electronic mode – 60;</p> <p>6. Number of newly built systems – 1 pc.</p>
Energetics	Preparation of the Territorial Plans for Fair Transition for 3 coal regions in the country	The plans will ensure the implementation of the Fair Transition Mechanism and will consider the possibility of their transformation, incl. through new industrial activities and new energy applications in the coal regions.	01.01.2022	The Ministry of Energy, together with consultants from PricewaterhouseCoopers Bulgaria, is developing three forecast scenarios for the transition to a low-carbon economy and assessing their impact on the three coal regions.	Acceptance of the reports by the consultant and preparation of the Territorial Plans for Fair Transition	December 2022	1.178 billion euros of investments from SMEs	Adopted and approved 3 Territorial Plans for Fair Transition



Specific Recommendation 4

Minimise administrative burden to companies by improving the effectiveness of public administration and reinforcing digital government. Ensure an effective functioning of the insolvency framework. Step up the efforts to ensure adequate risk assessment, mitigation, effective supervision and enforcement of the anti-money-laundering framework.

Policy summary

Effective public administration is key to ensuring the timely and effective implementation of recovery measures. Greater regulatory predictability and stability, effective control over policy implementation and reduction of administrative burdens will improve the business environment and encourage investment, which will have a positive impact on the pace of recovery.

The activities aimed at accelerating the process of digital transformation of the administration and public institutions and sustainable, consistent and effective introduction and development of consumer-oriented e-government continue in implementation of the updated Strategy for Development of e-Governance in the Republic of Bulgaria 2019-2025 and The concept of register reform. The development of horizontal and centralized e-government systems and the introduction of the Unified Model for requesting, paying and providing e-government services ensures the provision of more e-government services for citizens and businesses at level 3 and level 4, easily accessible through a single entry point.

The creation of an information system for centralized construction and maintenance of registers will optimize the process of construction and maintenance of registers of the state administration, so as to ensure the official exchange of information and data for the provision of quality services, the ability to provide services based on data from registers from other administrative bodies and the quality, completeness and security of data. In order to increase the level of interoperability of information resources, control and monitor access and dissemination of data, an Interoperability Reference Architecture will be developed and implemented, which will ensure the provision of interoperable public services at local, national and European level.

Citizens will be provided with an accessible, secure, reliable, easy-to-use and free means of electronic identification with the realization within 2022 of the technological possibility for electronic identification in the provision of electronic administrative services via mobile device, which will meet the requirements of Regulation № 910/2014 and its forthcoming amendments.

In the field of combating money laundering, the implementation of the ISF-funded project for the introduction of specialized software for financial intelligence analysis continues, which is expected to automate some of the processes and reduce the time for information processing. The increase of the administrative capacity of the financial intelligence unit through the hiring and training of new employees is in progress. In order to optimize the work on notifications of suspicious transactions related to suspected money laundering (ML) and terrorist financing (TF), the existing mechanisms for prioritizing the work of the financial intelligence unit were reviewed and updated, and the same were brought in full compliance with the results of the Report on the National Risk Assessment of ML and TF of 2019.

A project is being implemented, funded by the Structural Reforms Support Programme of the European Commission (SRSP), co-financed by the Council of Europe, aimed at increasing the capacity of the competent Bulgarian institutions to effectively limit the risks of money laundering and terrorist financing. The contractor of the project is the Council of Europe (CoE), and the Bulgarian competent institutions (represented in the working group under Article 96 of the LMML) should support it expertly. The main activities within the project are: 1) preparation of an Action Plan for mitigating the risks of ML and TF, established in the Report on the National Risk Assessment of the Project and FT of 2019, 2) updating the Report on the National assessment of the risks of ML and FT from 2019, 3) analysis of the risks of ML and FT in virtual assets and virtual assets service providers, 4) analysis of the risks of FT in the NPO sector and 5) analysis of the risks associated with citizenship investor schemes.

An Action Plan was approved (CoM Decision № 672 of 17 September 2021) for mitigating the risks of ML and TF, established in the Report on the National Risk Assessment of ML and TF of 2019. The plan is currently being implemented.

A Technical Report has been prepared, analyzing the risks of citizenship schemes against investments, which also envisages measures against the current situation, given the fact that in April 2022 the legislative amendments came into force, with which to the possibility to acquire the so-called gold passports through citizenship schemes against investment dropped out.

The update of the Report on the ML/TF Risk Assessment of 2019, the analysis of the risks of the ML and FT in virtual assets and virtual assets service providers and the analysis of TF risks in the NPO sector are in implementation process.

Regarding the optimization of the risk-based approach within the control for compliance with the requirements of the preventive legislation against ML and TF, a number of actions have been taken, such as updating the manual for inspections of FID – SANS, preparation of a common methodology for risk assessment of commercial banks and distribution of responsibilities between the BNB and FID – SANS, preparation of joint guidelines of BNB and FID-SANS for commercial banks regarding the application of the requirements of the LMML to clients who are politically exposed persons and the persons related to them, approval of a procedure for taking into consideration of the results of the risk analysis of the obligated entities and exchange of information between FID-SANS and the supervisory bodies under Art. 108, para. 6 of the LMML, revision of the distribution of the resources of the FID-SANS in connection with the control activity under the LMML, LMFT and RILMML.

Findings from the National Report for Bulgaria for 2020	Policy response
The business environment remains weak	<p>Efforts to improve the quality of administrative services and reduce the administrative burden on business continue, including by improving the quality of the regulatory framework.</p> <p>The focus in 2022 will be to build, increase and strengthen the capacity of the administration to conduct more in-depth impact assessments.</p> <p>The Council of Ministers (CoM) has set up an organization to conduct comprehensive ex-ante assessments of the impact of bills and ex-post evaluations of existing laws with the ministries' own resources.</p> <p>The CoM will approve the lists of bills, respectively existing laws, in respect of which ex-ante and impact assessments will be conducted. The Administrative Reform Council will monitor the implementation of the process and an implementation report will be presented to the CoM by 30 June 2022 and 31 December 2022.</p>
Tangible improvements in public administration and e-government are still limited and broadly dependent on EU support.	<p>Priority is given to the optimization of administrative services within “episodes of life” related to starting a business, hiring employees and closing a business, in order to improve processes and reduce the administrative burden on business.</p> <p>The focus in the field of e-government in 2021 is aimed at reducing the administrative burden for citizens and businesses by using the existing technological opportunities for centralized application, payment and provision of e-administrative services. In 2021, 462 new electronic administrative services for centralized application were implemented, which is over 8 times more than in 2020. Information was published on 477 electronic administrative services provided decentrally by the Ministry of Interior, NSSI, GCCA, NCA and others, through developed portals of the administrations. All 265 municipal and 35 district administrations and 5 central administrations have joined the Unified Model for applying for, paying for and providing electronic administrative services.</p> <p>In support of the policy to increase the usability of electronic services, users will be provided with a convenient, accessible and secure mobile means of electronic identification and signing of electronic content.</p>
The risk of corruption still needs to be better addressed, as it is a	<p>In order to optimize the work on notifications of suspicious transactions related to suspicions of money laundering and terrorist financing, the existing mechanisms for prioritizing the work of the financial intelligence unit will be reviewed</p>

predicate offence to money laundering..

and updated, if necessary in connection with the update. of the NRA Report from 2019 and its supplements with the separate sectoral analyses, prepared within the framework of the SRSP financed project, which is in the process of implementation.

The implementation of a project for the introduction of specialized software for analysis of financial intelligence information continues, which is planned to automate some of the processes and reduce the time for information processing. The increase of the administrative capacity of the financial intelligence unit through the hiring and training of new employees is in progress.

A project under the SRSP is in the process of implementation, within which the Action Plan for mitigating the risks of ML and TF, established in the NRA Report from 2019, approved by the CoM Decision 672 of 17.09.2021, has been prepared. The plan also envisages actions to mitigate the risks of corruption and investment citizenship investor schemes.

In April 2022, the legislative amendments came into force, with which the possibility of acquiring the so-called gold passports through citizenship schemes against investment dropped out.

Within the framework of the ongoing SRSP project, a Technical Report has been prepared, analyzing the risks of the citizenship schemes against investments, in which measures are envisaged in relation to the current situation.

In the continuation of the review and updating of documents / methodologies of FID_SANS, as a control body under the LMML, RILMML and LMFT, in order to reflect the findings of the NRA Report from 2019, additional actions will be taken in connection with the forthcoming update of this report and its additions to the above-mentioned separate sectoral analyses.

In order to achieve a unified approach in the supervisory activity, FID_SANS as a supervisory body under the LMML, RILMML and LMFT will continue to establish and / or participate in AML/CFT EU colleges for supervisory activity.

Table 2-4: Measures addressing SR 4, part of Annex 1

Policy area	Name of the measure	Information on measures taken and planned					Expected effect, incl. budget	Effect indicators with current and target value
		Brief description of the measure	Starting date	Current status (as of April 2022)	Forthcoming stages in the implementation of the measure until the deadline for its implementation (after April 2022)	End date		
1	2	3	4	5	6	7	8	9
Minimize the administrative burden on businesses by improving the efficiency of public administration and strengthening e-government	Implementation of "episodes of life" related to starting a business, hiring employees and closing a business	The aim is to optimize administrative services within specific "episodes of life" and to reduce the administrative burden on business, i.e. reducing the number of business interactions with institutions, the number of documents and time required for the provision of administrative services within the episodes.	01.2022	Under the project "Support for the reform of public administration", funded by the PDR to the EC, a comprehensive analysis of administrative services and reengineering of work processes have been done related to the episodes of starting a business, hiring employees and closing a business.	Performing an analysis of the possibilities for additional optimization of the processes within the episodes. Preparation of a package of legislative changes to optimize the processes and alleviate the administrative burden for the business in the scope of these episodes.	12.2022	Reduced administrative burden for business	Regulated "episodes of life" Current value: 0 episodes Target value: 3 episodes
Minimize the administrative burden on businesses by improving the efficiency of public administration and strengthening e-government	Improving the quality of policies and regulations by implementing full ex-ante and ex-post impact assessments	The aim is to increase the capacity of the administration to implement comprehensive preliminary and ex-post IAs, to gain expertise, experience, information and data in order to improve the quality of legislation and respectively the quality of regulation.	05.2022	A CoM Decision was adopted to establish an organization for the implementation of ex-ante and ex-post IAs.	Adoption by the Council of Ministers of a list of bills for ex-ante impact assessment; Adoption by the Council of Ministers of a list of laws for ex-post impact assessment; Report on the implementation of the CoM Decision as of June 31, 2022	12.2022	Improved capacity for IA, planning and drafting of legislation. Improved quality of legislation.	Full ex-ante impact assessments implemented Current value: 0 for 2022. Target value: 18 Ex-post impact assessments implemented Current value: 0 for 2022. Target value: 18
Minimize the administrative burden on businesses by improving the efficiency of public administration	Development and implementation of the Reference Architecture for Interoperability (RAI) and the information system for centralized construction and maintenance of	The following activities will be implemented within the scope of the measure: Activity 1: Development and implementation of RAI Activity 2: Development of ISCCMR	10.2020	Under activity 1: Contract № 78 / 25.10.2021 concluded with the selected external contractor TECHNOLOGICA EAD. The Contracting Authority has accepted an introductory report and the implementation of activity 1 "Analysis of requirements" of the subject of the contract. Currently, activity 2 "Preparation of RAI" of the subject of the contract is being implemented.	The following activities are to be implemented: By activity 1: - Prepared analysis of the requirements and practices in the field of interoperability at national and European level;	2023	Total project value: BGN 4.88 million OPGG increasing the level of interoperability of information resources;	- Developed National RAI – developed plan for implementation of RAI; - Developed and implemented ISCCMR;

and strengthening e-government	registers (IS-CCMR)	<p>Activity 3: Establishment of centralized interoperability registers through IS-CCMR, transformation and migration of data to them</p> <p>Activity 4: Establishment of registers and Unified information system for automation of internal administrative processes in the Ministry of Youth and Sports (MMC)</p> <p>Activity 5: Establishment of a single register "Employment" and upgrading the information system of the Employment Agency (EA) for employment and temporary employment</p>	<p>Under activity 2: Contract № 73 / 04.10.2021 concluded with the selected external contractor ORAK-ENGINEERING EOOD. The contractor submitted an introductory report. At the moment, the "Construction" stage of the subject of the contract is being implemented.</p> <p>Activity 3 – not implemented. The implementation of the activity is directly dependent on the result of the work of the contractors under activity 1 and activity 2.</p> <p>Under activity 4: A procedure for selection of a public procurement contractor was carried out with subject: "Analysis of data and work processes, preparation of methodology for transformation of data from existing registers in machine-readable format and preparation of technical specification for development and implementation of UIS ". A contract was signed with a contractor on 20.01.2021 and at the moment the contract has been fulfilled.</p> <p>Concluded contract № 23-00-39 / 05.04.22 with the selected contractor "Index – Bulgaria" Ltd. with subject: "Establishment of the Unified information system for automation of internal administrative processes in the IMC, as well as the transformation and migration of data from existing registers".</p> <p>A procedure for selection of a contractor for a public procurement has been conducted with subject: "Legal analysis of the normative regulation in the field of the registration regimes under the Physical Education and Sports Act, promulgated, SG, iss. 86 of 2018. " Concluded contract with contractor attorney company "Dobrev and Lyutskanov" №23-00-18 / 02.03.2021. At the moment the contract is fulfilled.</p> <p>Under activity 5: Completed procedure under the Public Procurement Act with subject "Preparation of an analysis of the regulatory framework, analysis of data and work processes and preparation of a technical specification for upgrading the IS of the EA". A contract № 01 / 25.01.2021 was concluded with CYBEREX LTD and at the moment the contract has been fulfilled.</p> <p>A procedure is to be announced with the subject: "Upgrading the information system of the Employment Agency for employment mediation activities and temporary employment,</p>	<p>-Developed and adopted Handbook with good practices and real examples in the field of interoperability such as catalogs, dictionaries, standards, models, etc.</p> <p>-Developed and approved "RAI";</p> <p>-Built federated portal for publishing information related to interoperability, as part of the SPAEAS;</p> <p>-Developed and approved Plan for implementation of RAO;</p> <p>- Prepared analysis and draft / s of normative acts for amendment and supplement of provisions in normative acts for regulation of the implementation of RAO and ICSID.</p> <p>By activity 2: Built and implemented ISCIPLR;</p> <p>- Developed rules and procedures for centralized construction and maintenance of registers;</p> <p>- Prepared complete technical and operational documentation of ISCIPLR, incl. self-study materials for working with the system;</p> <p>- Trained at least 8 employees – users and administrators to work with ISCCMR.</p> <p>Activity 3 – announcing a procedure for preparation of a technical specification for the implementation of the activity, selection of a contractor and prepared TC.</p> <p>By activity 4: - Built at least 4 centralized registers through ISCCMR;</p> <p>-Transformed and migrated data from the existing ones in the newly built registers;</p> <p>- Built, tested and implemented UIS for automation of internal administrative processes in the MYS;</p> <p>- Trained 60 MYS employees – users and administrators to work with UIS.</p> <p>By activity 5: -Built unified register "Employment";</p> <p>-Transformed and migrated data from the existing ones in the newly built register;</p>	<p>optimization of the process of building and maintaining registers of the state administration;</p> <p>automation and optimization of processes in order to prevent duplication and inconsistencies between data contained in the registers of different administrative bodies.</p>	<p>- Established registers for interoperability through ISCCMR Target value: 3 registers.</p> <p>- Built registers Target value: 5 registers.</p> <p>-Established UIS for automation of internal administrative processes;</p> <p>- Upgraded IS OF THE EA.</p>
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				as well as transformation and migration of data from existing registers".	-Upgraded IS for the mediation activity for employment mediation activities and temporary employment in the EA; -Trained 15 employees of the EA – users and administrators to work with the new functionalities of the IS.			
Minimize the administrative burden on businesses by improving the efficiency of public administration and strengthening e-government	"Design, development, implementation and maintenance of the Unified Information System in the Financial Supervision Commission"	The measure aims to: 1. Improving the regulatory and supervisory activities of the FSC by consolidating information flows and processes and building the EES; 2. Providing automated data exchange to and from external systems at national and international level; 3. Improving the process of administrative services to citizens and businesses.	2021	Under activity – "Building a Unified Information System (UIS) for the needs of the Financial Commission" a contract was concluded № 37 / 11.08.21 with Scale Focus AD. The contract is at the stage of implementation of data analysis and requirements for the software product.	The following is to be implemented: 1. Developed and implemented Unified Information System for the needs of the FSC; 2. Provided opportunity for integration with external registers and systems at national and European level for the implementation of automated exchange of data and information; 3. Redesigned, upgraded and improved at least 18 FSC registers; 4. Upgraded 252 administrative services provided by the FSC up to levels 3 and 4	30.09.2023	BGN 4.99 million OPGG	1. Administrations supported for CAO – reporting 0, target 1 pc. 2. Control, revenue and regulatory bodies, supported for the development of organizational and analytical capacity, including for joint inspections – reporting 0, target 1; 3. Number of supported registers – reporting 0, target 18; 4. Supported electronic services for their provision in transactional mode – reporting 0, target 252; Number of projects for development of sectoral e-government systems (e-public procurement, e-health, e-customs, e-archiving, e-insurance, etc.) – reporting 0, target 1
Minimize the administrative burden on businesses by improving	"Building and developing an Integrated Information System for Pensions (ENPI)" and	Development and introduction of the Institutional Architecture of the National Social Security Institute for priority processes related to pensions and provision of electronic administrative services	2022	For the implementation of the activity "Development of the Institutional Architecture of the National Social Security Institute regarding the processes related to pensions and implementing the Electronic Insurance File" and the activities "Introduction of the Institutional	Expected results: Introduced Institutional Architecture of the NSSI for the priority main and auxiliary processes related to pensions through - Developed and implemented IIS;	2023	BGN 5.00 million OPGG	1. Administrations supported for CAO – reporting 0, target 1 pc.

the efficiency of public administration and strengthening e-government	developing a "Single portal for electronic services of the National Social Security Institute".			Architecture of the National Social Security Institute regarding the processes related to pensions and implementing the Electronic Insurance File" contract №1005-40-6 / 18.01.2022	-Developed and implemented EEPR.			2. Control, revenue and regulatory bodies, supported for the development of organizational and analytical capacity, including for joint inspections – reporting 0, target 1; 3. Number of supported registers – reporting 0, target 7; 4. Supported electronic services for their provision in transactional mode – reporting 0, target 12; 5. Number of projects for development of the sectoral systems of e-government (e-public procurement, e-health, e-customs, e-archiving, e-insurance, etc.) – reporting 0, target 1
Minimize the administrative burden on businesses by improving the efficiency of public administration and strengthening e-government	Introduction of the Institutional Architecture of the National Social Security Institute regarding the processes implementing the Electronic Insurance File	"Development and implementation of the NSSI Architecture for the processes related to cash benefits, grants and guaranteed receivables"	2022	Under the activity "Development and introduction of the Architecture of the National Social Security Institute for the processes related to monetary compensations, aids and guaranteed receivables" a procedure under the Public Procurement Act was conducted and a contractor was selected. A contract is to be signed in April 2022.	Expected results: 1. Developed Architecture of the National Social Security Institute for the processes related to cash benefits, aids and guaranteed receivables, 2. Developed 18 new WEAU for automated provision of data on cash benefits and state social security benefits. 3. Developed a new register of guaranteed receivables of employees in the event of insolvency of the employer and upgraded 10 pcs. existing registers		BGN 7.2 million OPGG	1. Administrations supported for CAO – reporting 0, target 1 pc. 2. Control, revenue and regulatory bodies, supported for the development of organizational and analytical capacity, including for joint inspections – reporting 0, target 1;

								<p>3. Number of supported registers – reporting 0, target 11;</p> <p>4. Supported electronic services for their provision in transactional mode – reporting 0, target 25;</p> <p>5. Number of projects for development of the sectoral systems of e-government (e-public procurement, e-health, e-customs, e-archiving, e-insurance, etc.) – reporting 0, target 1</p>
Minimize the administrative burden on businesses by improving the efficiency of public administration and strengthening e-government	Development of a mobile application for electronic identification and electronic signing – BGID	<p>The measure covers activities for building an application for mobile electronic identification and signing BGID:</p> <p>Activity 1: Design of a model for creation, distribution and use of cryptographic keys;</p> <p>Activity 2: Development of a server part for registration and use of electronic identification;</p> <p>Activity 3: Development of a mobile application for users for Android and iOS</p> <p>Activity 4: Development of a business mobile application for Android and iOS;</p> <p>Activity 5: Development of software libraries for upgrading information systems with functionalities for signing and identification;</p> <p>Activity 6: Pilot integration</p>	2022	Prepared technical specification and conducted public discussion of the document	Actions to build within 2022 a technological capability for electronic identification via mobile device, ensuring a high level of security in the provision of electronic administrative services	2022	<p>-Providing a convenient, secure and accessible mobile tool for electronic identification and signing of electronic content (with advanced electronic signature);</p> <p>-Increasing the use of electronic administrative services</p> <p>- High level of readiness to meet the requirements of the proposal to amend Regulation (EU) 910/2014 for the so-called European digital ID wallet</p>	<p>Built mobile applications for electronic identification and signing</p> <p>Upgraded pilot systems with a high level of use by citizens and businesses for the use of mobile identification and signing</p>

							after its entry into force	
Insolvency legal framework	Implement the Roadmap for the reform of the insolvency and stabilization framework and develop a data collection process	<p>Implementation of the activities set out in the Roadmap developed in the implementation of a SRSP project of the European Commission.</p> <p>The components set in the Roadmap are planned to be implemented in the period 2019 – 2022 and include:</p> <ol style="list-style-type: none"> 1. Legislative changes 2. Organizational changes 3. Training programmes for insolvency professionals and judges 4. Specialized electronic tools for communication in the framework of insolvency and stabilization proceedings 5. Development and introduction of manuals, codes, templates and guidelines 6. Collection and publication of data 	September 2019	<p>1. The draft Amendments to the Commercial Act (CA) was prepared within the project "Reforms in the field of insolvency in Bulgaria", implemented jointly by the Ministry of Justice (MoJ) and SRSP. In 2021 the draft of the Amendments to the CA passed through public consultations and through a coordination procedure under Art. 32, para. 1 of the RPCMA.</p> <p>4. A technical assessment of the state of the Information System for Insolvency Proceedings (INIS) has been made, and for the preparation of the terms and conditions serious aspects of the functional and non-functional characteristics of the information system have been considered, namely the platform on which it is developed, availability of information for monitoring changes, etc. In order to bring the system in line with the relevant regulations under the Law on E-Government and to develop new functionalities, in accordance with the requirements of Regulation (EU) 2015/848, the expediency of setting up a new modern system meeting the requirements of Law on E-Government was established. Terms and conditions have been drafted, which includes new modules and functionalities of ISPN.</p> <p>6. On 28 October 2021, a meeting of the Roadmap Implementation Council was held, at which the prepared reports were discussed and a decision was adopted to establish an interdepartmental working group to develop a Methodology for the application of economic and financial indicators to serve as warning indicators of the risk of insolvency.</p>	<p>Draft amendments to the CA and regulations related to Bulgaria's commitments under Regulation (EU) 2015/848 of the European Parliament and of the Council of 20 May 2015 on insolvency proceedings, as well as Directive (EU) 2019/1023 of the European Parliament and of the Council of 20 June 2019 on preventive restructuring frameworks, on discharge of debt and disqualifications, and on measures to increase the efficiency of procedures concerning restructuring, insolvency and discharge of debt, and amending Directive (EU) 2017/1132 (Directive on restructuring and insolvency), measures to increase the efficiency of restructuring, insolvency and discharge of debt proceedings.</p> <p>Preparation of a draft Ordinance on the samples for the insolvency professionals and the parties to the insolvency proceedings.</p> <p>Launch of a program for continuous training of insolvency professionals.</p> <p>Upgrading the Trade Register and establishment interconnection with the European Insolvency Register.</p> <p>Pilot launch of INIS.</p> <p>Establishment of a specialized unit for regulation of the insolvency professionals.</p> <p>Development of a methodological basis for the introduction of early warning tools in the field of insolvency.</p>	<p>April 30, 2022</p> <p>September 2023</p>	<p>Accelerate the insolvency proceedings;</p> <p>More effective regulation of the activities of the insolvency professionals;</p> <p>Establish a reliable statistical system for insolvency proceedings and stabilization procedures</p> <p>Regulation and measurement of the risk of insolvency</p>	<p>Developed draft of the Amendments and Supplements to the CA, submitted for consideration by the Council of Ministers</p> <p>Operating specialized unit and introduced program for continuing education</p> <p>Function ISPN and established connectivity</p> <p>Early warning tools introduced in Bulgaria</p>

Ensuring adequate risk assessment and mitigation, effective supervision and implementation of the anti-money laundering framework	Analysis of the risks of terrorist financing (TF) in the NPO sector	Preparation of an assessment of the risks of terrorist financing in the NPO sector.	2021	A sectoral risk assessment methodology has been selected and is provided free of charge for use by the Council of Europe. The FATF's definition of a non-profit organization has been reviewed and an analysis of the types of organizations registered in Bulgaria that fall within the definition has been made.	1. Collection of the rest of the information required according to the chosen methodology. 2. Preparation of the draft report envisaged according to the chosen methodology. 3. Conducting focus group meetings, provided according to the chosen methodology. 4. Adoption of the final risk assessment report. 5. Reporting to the Council of Ministers. 6. Sharing the results of the evaluation with the NPO sector. 3. Sharing the results of the assessment of the NPO sector with other national institutions and other obliged persons under the LMML.	December 2022	1. Identification, understanding and assessment of TF risks to which NPOs are exposed to 2. Informing NPOs, other obliged entities under LMML and the competent institutions on the identified TF risks in the NPO sector,	1. Prepared report on assessment of TF risks in the NPO sector. 2. Published results from the assessment of TF risks in NPO sector.
Ensuring adequate risk assessment and mitigation, effective supervision and implementation of the anti-money laundering framework	Analysis of the risks of money laundering (ML) and terrorist financing (TF) related to virtual assets	Preparation of a sectoral assessment of the risks from ML and TF related to virtual assets.	2021	A sectoral risk assessment methodology has been selected and is provided free of charge for use by the Council of Europe. An online meeting and an online workshop were held with the participation of CoE representatives with presentation and clarification of questions related to the methodology and its practical use.	1. Collection of the information required according to the chosen methodology. 2. Preparation of the draft report envisaged according to the chosen methodology. 3. Conducting focus group meetings, provided according to the chosen methodology. 4. Adoption of the final risk assessment. 5. Reporting to the Council of Ministers. 6. Sharing the results of the risk assessment with other national institutions and other obliged persons under the LMML.	December 2022 ¹	1. Identification, understanding and assessment of ML and TF risks related to virtual assets 2. Informing the virtual assets sector, the other obliged persons under the LMML and competent institutions about the identified ML/TF risks related to the virtual assets.	1. Prepared report for assessment of the ML/TF related to the virtual assets 2. Published results ML/TF risk assessment related to virtual assets
Ensuring adequate risk assessment and mitigation, effective supervision and implementation of the anti-money	Analysis of the risks of money laundering (ML) arising from the so-called citizenship investor scheme.	Preparation of a sectoral assessment of the risks of money laundering (ML) arising from the so-called citizenship investor scheme.	2021	The necessary documents and statistical information, incl. from InvestBulgaria Agency and Directorate "Bulgarian Citizenship" at the Ministry of Justice, were collected and provided to experts of the Council of Europe in the framework of a project funded by the SRSP of the EC. Online working meetings were held with the participation of representatives of the Council of Europe to discuss the materials, as well as	1. Conducting a seminar in Sofia with the participation of the Council of Europe to present the final version of the Technical Report – in April 2022. 4. Adoption of the final assessment report by the working group. 5. Reporting to the Council of Ministers.	December 2022 r. ²	1. Identification, understanding and assessment of money laundering (ML) arising from the so-called citizenship schemes.	1. Adopted Technical Report, analyzing the risks of money laundering (ML) arising from the so-called citizenship schemes.

¹ It is possible that the implementation of the measure will be delayed and end in 2023.

² It is possible that the implementation of the measure will be delayed and end in 2023.

laundrying framework				to discuss the planned legal amendments and repeal of the so-called "Golden passports". A draft Technical Report prepared by CoE experts was presented, analyzing the risks, incl. those of the existing situations (in case of cancellation of the schemes in the future). Comments by the Bulgarian institutions on the draft report were sent to CoE. A seminar is organized with the participation of the Council of Europe to present the final version of the Technical Report.	6. Sharing the results of the assessment with other national institutions and the private sector.		2. Informing the private sector and competent institutions about the identified risks of money laundering (ML) arising from the so-called citizenship schemes	2. Published results of the assessment of the risks of money laundering (ML), arising from the so-called citizenship schemes.
Ensuring adequate risk assessment and mitigation, effective supervision and implementation of the anti-money laundering framework	Update of the Report on the National Assessment of the Risks of Money Laundering and Terrorist Financing (TF) from 2019	Preparation of an updated National Assessment of the Risks of Money Laundering and Terrorist Financing (TF)	2021	An online meeting and an online workshop were held with the participation of CoE representatives to present and ask clarifying questions about the methodology and its practical use. Within the working group the tasks related to the collection of the required information were disturbed according to the methodology. The collection of information has begun.	1. Collection of the information required according to the chosen methodology. 2. Preparation of the draft report envisaged according to the chosen methodology. 3. Conducting focus group meetings, provided according to the chosen methodology. 4. Adoption of the final assessment report. 5. Reporting to the Council of Ministers. 6. Sharing the results of the assessment with other national institutions and other obliged persons under the LMML.	December 2022 r. ³	1. Identification, understanding and assessment of the risks from the ML/TF to which the country is exposed. 2. Informing the obliged persons under the LMML and competent institutions about the identified ML/TF risks.	1. Prepared updated NRA report. 2. Published results of the updated NRA Report.
Ensuring adequate risk assessment and mitigation, effective supervision and implementation of the anti-money laundering framework	Review and update of documents / methodologies.	Review and update documents / methodologies of the supervisory authorities related to risk-based supervision in the field of measures against the ML/ TF, taking into account the findings of the NRA Report of 2019, its updates and additions.	2020	1. New "Methodological instructions for carrying out inspections under Art. 108, para 8 of the LMML "are prepared. 2. The manual for carrying out on-site inspections under Art. 108, para. 3 of the LMML is updated. 3. A methodology for risk analysis related to the exchange offices sector has been developed.	Update of the current documents related to the methodology for supervision and preparation of new ones in the sectors for which such documents have not been prepared so far.	permanent	There is no direct effect on the budget	Improved risk-based approach to AML/CFT supervision .
Ensuring adequate risk assessment and mitigation, effective	Establishment and participation in EU colleges.	Establishment and participation in AML/CFT EU colleges for supervisory activities.	2021	1. In 2021, representatives of FID – SANS took part in online meetings of AML / CFT colleges related to supervisory actions on 10 companies that have a parent company in the MS and at least 2 subsidiaries and / or branches in other MS or a parent company in	The participation of representatives of FID – SANS in AML/CFT colleges, exchange of information and good practices between the su-	permanent	No effect on the budget.	Enhanced cooperation between competent authorities and ac-

³ It is possible that the implementation of the measure will be delayed and end in 2023

tive supervision and implementation of the anti-money laundering framework			<p>a third country and subsidiaries and / or branches in at least 3 MS.</p> <p>2. FID – SANS has established colleges for a company whose parent company is in Bulgaria and organized an online meeting with representatives of the FIUs from the countries where the obliged entity has subsidiaries and / or branches.</p>	<p>supervisory authorities of cross – border enterprises will contribute to achieving a unified approach in supervisory activities.</p>			<p>acquisition of information for supervisory purposes</p>
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3. PROGRESS TOWARDS THE UN SUSTAINABLE DEVELOPMENT GOALS (SDGs)

Progress towards the UN Sustainable Development Goals (SDGs)

Goal	Measures taken	Expected impact of the measures (qualitative and / or quantitatively)
No poverty	<p>1. Adopted National Strategy for Poverty Reduction and Promotion of Social Inclusion 2030 (with CoM Decision № 976 of 31.12.2020) and adopted Action Plan for the period 2021-2022 for implementation of the Strategy (with DCM № 553 of 28.07 .2021);</p> <p>2. Introduced National Target for Poverty Reduction and Social Exclusion by 2030 in pursuance of the European target for reducing the number of people at risk of poverty or social exclusion by 15 million by 2030, of which at least 5 million should be children;</p> <p>3. Development of a draft Action Plan with a 2030 horizon in implementation of the Council Recommendation on the establishment of the European Guarantee for the Child (the measure is under implementation).</p> <p>4. From April 1, 2022, the minimum wage increased by 9.2% and reached BGN 710.</p> <p>5. With the latest changes in 2021 the minimum pension for length of service has increased by 20% and from 01.01.2021 is BGN 300, and from 25.12.2021 is in the amount of BGN 370. In 2021 the amount of the poverty line is set at BGN 369, the government's aim is for the amount of the minimum pension for length of service and age to exceed the defined poverty line.</p> <p>In 2021, COVID-19 supplements in the amount of BGN 120 were paid in October, November and December. From 01.01.2022, all pensioners will be paid COVID supplements in the amount of BGN 60. In 2021, on average, pensions have increased by 12.3%.</p> <p>6. Under the PDR 2021-2027, the development of the achievements in the previous years in the field of social activities will continue in order to ensure equal access to quality and effective social services for all persons in need of support, including poverty reduction and promotion of social inclusion.</p> <p>7. Improving the quality of life, social inclusion and poverty reduction, as well as the sustainable integration of the most marginalized communities, incl. the Roma</p>	<p>Improving the quality of life and reducing social inequalities and poverty through:</p> <ul style="list-style-type: none"> - Prevention of poverty and social exclusion through the inclusion in employment and training of persons from vulnerable groups in the labor market; - Promoting the social and solidarity economy with a view to improving access to employment, training and social inclusion; - Reducing the transmission of poverty and social exclusion between generations (with a focus on child poverty and social exclusion); - Ensuring equal access to quality services in order to prevent social exclusion and overcome its consequences; - Increasing the adequacy and Resilience of the social protection system; - Improve coordination and synergies and promote social innovation with a view to actively involving vulnerable groups. <p>Reduce the number of people at risk of poverty or social exclusion by 787,000 by 2030;</p> <p>Reduce the number of children under 18 at risk of poverty or social exclusion by 196,750 by 2030 (25% of the overall national target).</p> <p>In accordance with the objectives of the Child Guarantee, the plan will bring together a wide range of measures at national, regional and local level in the field of different sectoral policies – education, health, social services, housing, etc. The implementation of the plan is closely linked to the achievement of the national goal of reducing poverty and social exclusion among children by 2030.</p>

Spatial inclusion of marginalized groups in society, prevention of segregation, isolation and exclusion and ensuring equal access to basic services for all.

Additional Bulgarian language training for children and students (including those seeking or receiving international protection) for whom Bulgarian is not their mother tongue; Additional activities with students from ethnic minorities and students seeking or receiving international protection at risk of dropping out of school; Reintegration into the education system of young people under 18 who have dropped out of school

Zero hunger

1. In the extended period of implementation of the Rural Development Program 2014-2020, as well as in the period of implementation of the Strategic Plan for Agriculture and Rural Development for the period 2023-2027, the implementation of measures related to with:

- Support for agricultural holdings and investments in the processing of agricultural products in order to improve the productivity and income of farmers and processors and meet public food needs, including high quality, safe and nutritious food produced in a sustainable way; reduction of food waste; improving the productivity and yields of small and medium-sized farms in the agricultural sectors and ensuring the necessary quantity and quality of local raw materials to make full use of the capacity of enterprises and increase the added value and efficiency of food enterprises.
- Investments in irrigation infrastructure on agricultural holdings to reduce the negative consequences of the manifestation of natural and climatic risks, increase crop yields and promote sustainable development and efficient management of natural resources.
- Promotion and support of quality schemes, organic production and cooperation for short supply chains and local markets, in order to produce high quality, safe and nutritious food produced in a sustainable way, as well as to improve the position of farmers in the chain of the value.

2. The European Maritime, Fisheries and Aquaculture Fund (EMFAF) Programme 2021-2027 envisages measures at national and regional level for the construction / modernization of aquaculture farms and enterprises for processing fishery products and for opportunities for diversification of activities and creation of new forms of income and activity.

Restructuring and modernization, including improving the resource efficiency of agricultural holdings to ensure food security, increase productivity and income in the agricultural sector.

Starting agricultural activity by young farmers and ensuring continuity between generations.

Implement climate-sustainable agricultural practices aimed at improving the management of water resources on agricultural holdings and increasing the productivity and volume of production.

		<p>Improving the organization of the supply chain and increasing the number of farmers involved in organic production, as well as farmers participating in producer groups or organizations, local markets, short supply chains and quality schemes.</p> <p>Increasing the productivity and income of small food producers in the fisheries sector, including women employed in it.</p>
Good health and well-being	<p>Raising public awareness of the main risk factors related to chronic non-communicable diseases; measures for healthy eating, physical activity, reduction of tobacco use and alcohol abuse</p> <p>Implementation of policies for:</p> <ul style="list-style-type: none"> - prevention of socially significant diseases; - prevention and control of tuberculosis, AIDS and viral hepatitis. <p>3. PDR 2021 – 2027 plans targeted support in the health infrastructure for the provision of integrated health and social services in the community, for vulnerable groups, the elderly, people with disabilities or children, incl. nursery.</p>	<p>Increased awareness of health risk factors;</p> <p>Implementation of the activities within the National Program for Prevention and Chronic Non-Communicable Diseases 2021-2025</p> <p>Implemented measures under the national prevention programmes.</p> <p>Creating preconditions for increasing the life expectancy in good health through a developed health system that functions satisfactorily and provides equal access to health care.</p>
Quality education	<p>The support provided under the PDR 2021-2027 in the field of education is aimed at ensuring equal access to quality and modern education for every child and student, as well as reducing the share of early school leavers, with a focus on children and students from vulnerable groups, including Roma;</p> <p>Development and introduction of a new methodology for assessing the added value of training..</p>	<p>Improved educational environment, including the quality of e-learning in the system of school and preschool education through the introduction of new and modern technologies, increasing the motivation to learn.</p> <p>Improving the quality of education and the motivation and qualification of pedagogical specialists</p>
Gender equality	<ol style="list-style-type: none"> 1. Adoption of a National Strategy for the Promotion of Equality between Women and Men for the period 2021-2030 (CoM Decision № 969 of 30.12.2020); 2. Implementation of the National Action Plan for the period 2021-2022 in implementation of the National Strategy under item 1. 3. Maintaining a specialized section "Equal Opportunities" on the MLSP website; 4. Payment of a voluntary annual contribution of the Republic of Bulgaria to the UN-Women budget in support of the activity (CoM Decision № 771 of 19.12.2019); 	<p>The strategy defines the vision and the goal of the policy of the Republic of Bulgaria in the field of equality of women and men, for the implementation of which five priority areas have been identified:</p> <ul style="list-style-type: none"> - Equality of women and men in the labor market and equal degree of economic independence; - Reducing the gender pay and income gap; - Promoting equality between women and men in decision-making processes at all levels;

5. Promoting the role of women in maintaining international peace and security in connection with the commitments of the Republic of Bulgaria as a co-author of Resolution 1325, by adopting a National Action Plan for Women, Peace and Security (CoM Decision № 185 of 19.03.2020 .)

6. Joining international initiatives within international organizations in which Bulgaria is a member with an emphasis on gender equality (eg Nexus, UN Call for Action, Initiative 2025, UN Friends Groups and EU Thematic Working Groups).

- Combating gender-based violence and protecting and supporting victims;

- Overcoming gender stereotypes in various spheres of public life and sexism.

- Ensuring publicity and transparency of the policy of the Republic of Bulgaria on equality of women and men.

Establishing the international image of the Republic of Bulgaria as a country in which women and men exercise their rights, freely develop and realize in all spheres of public, economic and political life, without discrimination and stereotypes based on gender.

Clean water and sanitation	Introduction and implementation of an integrated approach for realization of priority investments in the water supply and sewerage infrastructure (measure addressing CSR 3, part of Annex 1	<p>1. Additional number of inhabitants with access to improved water supply – 1,800,000 by 2023</p> <p>2. Additional number of inhabitants with access to improved wastewater treatment – 1,900,000 population equivalent (p.e.) until 2023</p> <p>3. Built / rehabilitated / reconstructed wastewater treatment plants – 25 until 2023</p>
Affordable and clean energy	The PDR 2021 – 2027 will support energy efficiency in buildings and the use of energy from renewable energy sources, supporting integrated renewable energy installations on site, energy storage equipment, equipment for charging electric vehicles, digitalization of buildings.	Improving the energy performance of the national building stock through the implementation of sustainable integrated energy measures and sustainable use of renewable energy.
Decent work and economic growth	The PDR 2021 – 2027 envisages the implementation of economic measures to build a strong and competitive economy of the Bulgarian regions with an emphasis on revenue-generating investments.	The planned measures will serve to create an attractive environment for business and entrepreneurship, promote economic activity, develop economic activities and stimulate the regional economy.
Industry, innovation and infrastructure	The PDR 2021-2027 includes measures for the construction of industrial parks as an important tool for conducting a balanced economic and regional policy.	The planned activities will serve to increase the competitiveness of the regional economy and the positive structural changes related to it.
Reduced inequalities	The PDR 2021-2027 plans to implement an integrated territorial approach by effectively using the potential of each territory in close dialogue and cooperation between institutions working at different levels of government, as well as other stakeholders operating in the respective territory.	The envisaged approach will create the necessary conditions for improving the potentials of individual territories, accelerating socio-economic growth and eliminating sharp regional disparities.

Sustainable cities and communities

1. Reducing the levels of pollutants and reaching the established norms in the areas with impaired air quality (measure addressing CSR 3, part of Annex 1);

Population covered by the measures to reduce the quantities of PM10 and NOx – 3,000,000 inhabitants by 2023

2. Investments under OPRG 2014-2020 for integrated sustainable urban development

Improved housing conditions, accessible and attractive environment and access to quality services in cities, reduction of the climate footprint, improved conditions in public transport.

3. The implementation of the National Program for Energy Efficiency of Multifamily Residential Buildings continues, aimed at renovation of multifamily residential buildings with the main goal – through the implementation of energy efficiency measures to ensure better living conditions for citizens in multifamily residential buildings, thermal comfort and higher quality of the living environment ...;

The buildings approved for renovation are 2,022, and as of February 25, 2022, they have been renovated and put into operation. 1,941 of them. The renovation of all 2,022 buildings is expected to achieve energy savings within 958,358 MWh / year and annual reduction of greenhouse gas emissions (CO2 and equivalent) – incl. saving 317 CO2 / kiloton / year.

4. Strengthen by 2030 sustainable and inclusive urbanization and the capacity for integrated, sustainable and broad participation in settlement planning and management in all countries.

Regarding the provision of the territory of the country with an up-to-date planning basis in order to create favorable conditions for sustainable and balanced economic development, to create, use and protect a harmonious and accessible environment for living, working and recreation, to protect the environment and territories with sites of cultural and historical heritage, continues the activity of financial assistance to municipalities in the development of tasks and drafts of general spatial plans for their entire territory (GSP) under the financial conditions adopted in 2014. Procedures related to financial transfers, according to concluded agreements are implemented in accordance with the activity of the municipalities.

5. Stimulating positive economic, social and environmental links between urban, suburban and rural areas by strengthening the spatial and strategic planning of national, regional and local development

With regard to the activity related to issuing permits for elaboration of general and detailed development plans and their amendments, approving investment projects and issuing building permits for technical infrastructure sites and national sites, within the powers of the Minister of Regional Development and Public Works according to The Law on Spatial Planning significant progress has been achieved in the preparation and submission of documentation in compliance with the scope and content of regulatory requirements.

Target value of the General Terms and Conditions of municipalities – 265
Achieved value – 167 pcs.

Responsible consumption and production	Implementation of the waste management hierarchy, prevention of waste generation, promotion of re-use and recovery through recycling, reduction of landfilling and reduction of their harmful effects on the environment and human health (measure addressing CSR 3, part of Annex 1)	Additional capacity for recovery of household waste (for energy production) – 180,000 t / year. until 2023 Additional capacity for waste recycling – 240,000 t / year. until 2023
Climate action	<p>1. Financing of measures for reduction of greenhouse gas emissions and adaptation to climate change (measure addressing CSR 3, part of Annex 1);</p> <p>2. The PDR 2021-2027 plans a set of measures related to energy efficiency and renewable energy in buildings, as well as investments in sustainable urban mobility, including the replacement of public transport rolling stock with environmentally friendly, charging infrastructure for clean vehicles.</p>	<p>Greenhouse gas emissions saved from supported projects to help mitigate adverse climate change: 660,000 tCO₂eq by 2023</p> <p>The interventions planned in the program will help reduce greenhouse gas emissions from domestic heating and transport.</p>
Life below water	<p>1. Preservation, maintenance and restoration of ecosystems and their inherent biological diversity (measure addressing CSR 3, part of Annex 1), incl. implementation of a project under OPE 2014-2020: "Natura 2000 in the Black Sea", worth (grant) BGN 11.7 million.</p> <p>2. Implementation of projects under the call "Small grant scheme for the reduction of marine litter" under the program of the the PEPCC of the EEA FM 2014-2021 – 5 of the total value (grant) of BGN 1.2 million, as well as a predefined project "Knowledge and information regarding regional activities for protection of the Black Sea environment" under the same program worth (grant) BGN 4.3 million.</p> <p>3. The EMFAF Programme 2021-2027 provides a set of measures at national and regional level related to: the possibility of reducing marine litter by cleaning the seabed; investments to strengthen control – tracking catches, declaring data, etc .; investments for the development of small-scale fishing and contribution to short supply chains.</p>	<p>Completion of the Natura 2000 network in a marine environment.</p> <p>Reduction of the amount of waste in the marine environment, incl. training and awareness raising on marine pollution.</p> <p>Updating data and information on the marine environment, improving the definitions, objectives and indicators for assessing the definitions of good state of the marine environment, supporting the implementation of the Program of Measures to the Maritime Strategy of Bulgaria, increasing the capacity for comprehensive research, monitoring and modeling of the marine environment.</p> <p>Reduction of marine pollution.</p> <p>Effective regulation of fish production and eradication of overfishing, illegal, unreported and unregulated fishing.</p> <p>Ensuring access to marine resources and markets for fishermen engaged in traditional fishing in small quantities and for food.</p>
Life on land	Conservation, maintenance and restoration of ecosystems and their inherent biological diversity (measure addressing SR 3, part of Annex 1).	Area of habitats supported in order to achieve a better degree of conservation – 1,565,668 ha by 2023

Peace, justice and strong institutions

1. CoM Decision adopted on 06.04.2022 for implementing impact assessments with own resources in 2022;

2. An Act on Strategic Planning is being prepared: a general legal framework for strategic planning and revision of special laws providing for the development of sectoral strategic documents

Improving the capacity to implement impact assessments by preparing 18 full ex-ante IAs and 18 ex-post IAs with own resources of the administrations and methodological support from the CoM' Administration;

Creating a stable strategic and institutional framework at all administrative levels.

Partnerships for the goals

1. Prepared and adopted a new medium-term program for development aid and humanitarian aid for the period 2020-2024 (CoM Decision №3 of 07.01.2021);

Provision of official development assistance (ODA) amounting to about 0.13% of GDP;

2. The conclusions of the OECD Development Assistance Committee from the analysis of the current state of the Bulgarian development system are to be presented.

3. Ensuring participation in leading formats in the field of development and humanitarian aid within the EU, OECD and UN.

Development of contacts and cooperation with other donors of development aid.

Fulfill the commitment of 0.33% ODA / GDP in the EU-2030 accession period.

Increasing the visibility and quality of the Bulgarian ODA.

Bringing the Bulgarian development system in line with the latest achievements in the field.

4. USE OF EU FUNDS

The main directions of investments co-financed by the European Structural and Investment Funds for the period 2021-2027 are determined on the basis of an analysis of the socio-economic development of Bulgaria 2007-2017 and include:

- innovative and smart economic transition through innovation and applied science;
- clean and fair energy transition, green and blue investments, circular economy;
- improving mobility and regional connectivity;
- development of human resources and education;
- sustainable and integrated development of the regions in the country. The budget for Bulgaria amounts to about 20 billion euros of European and national funding.

All draft programmes for the period 2021-2027 will contain planned measures related to the country specific recommendations of the Council of the EU to Bulgaria, the conclusions of the Country Report for Bulgaria for 2020, as well as the UN goals for sustainable growth.

The Partnership Agreement 2021-2027 is a strategic document guiding Bulgaria's negotiations with the European Commission, which justifies the choice of policy objectives, outlines national priorities in European funding, describes the main focus of interventions and contains a list of programmes that will address them. . The document also describes coordination, demarcation and complementarity between funds, where applicable, coordination with national programmes, and synergies with other EU instruments. Based on the strategic framework set out in the Partnership Agreement, the individual programmes detail and further develop the main actions to achieve the set goals and priorities.

Regional Development Program 2021-2027 – with the main goal to create economically strong and sustainable regions and specific objectives: Addressing negative demographic trends and reducing regional disparities in population; Increasing the economic growth of the Bulgarian regions; Promoting balanced territorial development through a polycentric network of cities, supported by integrated investment.

Transport Connectivity Program 2021-2027 – with the main goal of developing the railway and road infrastructure on the TEN-T network, implementation of intelligent transport systems, promotion of intermodality and construction of infrastructure for alternative fuels in the main directions of the national road network and in ports of national importance. The program will contribute to the following policy objectives: "A better connected Europe by improving the mobility and regional connectivity of ICT" and "A greener, lower-carbon Europe by promoting a clean and just energy transition, green and blue investment" , circular economy, adaptation to climate change and risk prevention and management.

Environment Programme 2021-2027 – measures related to climate change and the risk of disasters, water, the circular economy, biodiversity and reducing air pollution. They are in line with the UN's goal of promoting sustainable development and climate action.

Competitiveness and Innovation in Enterprises Program 2021-2027– with the main goal of smart and sustainable growth of the Bulgarian economy and the implementation of industrial and digital transformation. Interventions are planned to stimulate the increase of the competitiveness of Bulgarian SMEs; Measures to contribute to faster digital transformation and transition to a circular economy, targeted support for the development of sectors in high-tech and medium to high-tech industries and knowledge-intensive services, promoting digital transformation of SMEs, capacity building for research and innovation and the introduction of modern technologies, the promotion of energy efficiency measures and the reduction of greenhouse gas emissions.

The Human Resources Development Program 2021-2027 has the main goal of promoting employment and skills development, social inclusion and equal opportunities. The measures of the program will focus on the needs of support and investment in the field of labor force training (unemployed and employed) to increase skills, qualifications and competencies, the inclusion of representatives of vulnerable groups in the labor market through employment opportunities, labour consulting and vocational guidance, measures to stimulate entrepreneurship, etc. The Programme also aims at promoting social inclusion,

improving the quality of life, integrated measures and approaches aimed at the elderly and people with disabilities, as well as those with special needs and other vulnerable groups, incl. children, as well as active inclusion and equal opportunities for better employability. Special measures are provided for young people, related to training, acquisition of skills, inclusion in internships, etc. The measures of the program will also aim at overcoming challenges in the field of social inclusion, with a focus on long-term care, ensuring equal opportunities and access to quality social services and support for a quality life in the community, individualized support for vulnerable people, promoting active participation in the public life of persons from vulnerable groups, investing in human capital providing care and support, etc.

The Food and Basic Material Assistance Program 2021-2027 includes innovative EU measures for social support to the most deprived persons, with a special focus on children by providing packages with the most necessary products for raising newborns and children's kitchens for children from 10 months to 3 years. The new measures will be provided to low-income families, children at risk of abandonment and children living in at-risk environments in order to have a better chance of starting out on an equal footing with their peers.

The Research, Innovation and Digitalization for Economic Transformation Program 2021–2027 intend to develop research and innovation in favor of the accelerated economic development of the country. It shall also serve as a response to the need to accelerate the processes of digitalization of the public sector and build a favorable digital environment that provides high quality and secure exchange of information between different spheres of life and enhance the effects of their interaction.

Programme “Education” 2021-2027 – with the main aim to support the reduction of the share of early school leavers, fuller coverage of children in pre-school and primary school education, support for personal development, for children and students from vulnerable groups. The programme will support the effective implementation of the competency model, the digital transformation of school education; promotion of the creation and implementation of a culture of innovation, innovative kindergartens and schools; the promotion of alternative access to the teaching profession. Support is provided for improving the skills, capacity and continuous qualification of pedagogical specialists and non-pedagogical staff, teachers and educational leaders / managers. In the field of higher education, the measures are aimed at increasing the scope and applicability of higher education and linking it with the needs of the labor market, student internships and development of entrepreneurial skills and transition to a dual system of higher education. the development of the academic staff in higher education institutions, including increasing the interest and improving the conditions for doctoral programmes related to the needs of the labor market needs.programmes

The Technical Assistance Program 2021-2027 aims to ensure the efficient management of funds for all programmes co-financed by the ESIF by achieving the following specific objectives: 1) Optimization of the environment for implementation of the SR; 2) Strengthening the capacity of authorities, beneficiaries and partners; 3) Engaging EPAs and UCOs for good fund management; 4) Increasing the transparency and communication of the achieved results.

The European Maritime, Fisheries and Aquaculture Fund Programme 2021-2027 will pursue the following of the EC's cohesion policy objectives: "A greener, lower-carbon Europe by promoting a clean and fair energy transition, green and blue investments , Circular Economy, Climate Change Adaptation and Risk Prevention and Management "and" Europe closer to citizens by promoting sustainable and integrated development of urban, rural and coastal areas and local initiatives ". ■