



REPUBLIC OF BULGARIA
Ministry of Finance

NATIONAL REFORM PROGRAMME

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List of Abbreviations

AAQ - Ambient Air Quality	JTF - Just Transition Fund
ACGA - Administrative Contract for Grant Awarding	LAS - Law Amending and Supplementing
AG - Awarded Grant	LEDTW - Law on Excise Duties and Tax Warehouses
CC - Competence Center	LEG - Law on Electronic Government
CE - Center of Excellence	LNG - Liquid Natural Gas
CIEP - “Competitiveness and Innovations in Enterprises” Programme 2021-2027	LPF - Law on Public Finances
CIP - Climate Investment Programme	LSBRB - Law for the State Budget of the Republic of Bulgaria
CLLD - Community Led Local Development	LVAT - Law on Value Added Tax
CM - Council of Ministers	MEG - Ministry of Electronic Governance
CMP - “Climate Microprojects” Programme	MFAP - “Maritime, Fisheries and Aquacultures” Programme
DCM - Decision of the Council of Ministers	MWh - Megawatt per Hour
DESI - Digital Economy and Society Index	MWIP - Mineral Waters Investment Programme
EA - Employment Agency	NA - National Assembly
EC - European Commission	NEP - National Employment Plan
EDIHs - European Digital Innovation Hubs	NPAF - National Priority Actions Framework for Natura 2000
EE - Energy Efficiency	NRA - National Revenue Agency
EEA FM - European Economic Area Financial Mechanism	NRP – National Reform Programme
EEMSK - Energy Efficiency for Municipal Schools and Kindergartens	NRRI - National Roadmap of Research Infrastructure
EMEPA - Enterprise for Management of Environmental Protection Activities	NRRP - National Recovery and Resilience Plan
EMFAF - European Maritime, and Fisheries and Aquaculture Fund	NSSI - National Social Security Institute
EP - “Environment” Programme	NTEF - National Trust Eco Fund
EPCCP - “Environment Protection and Climate Changes” Programme	OPE - Operational Programme “Environment”
ERDF - European Regional Development Fund	OPGG - Operational Programme “Good Governance”
ESF - European Social Fund	OPHRD - Operational Programme “Human Resources Development”
ESIF - European Structural and Investment Funds	RBMP - River Basin Management Plans
ESSF - Electricity System Security Fund	RDP 2021-2027 “Regional Development” Programme 2021-2027
EU - European Union	RES - Renewable Energy Sources
FMFIB - Fund Manager of Financial Instruments in Bulgaria	RFS - Regional Feasibility Studies
FRMP - Flood Risks Management Plans	RIDSTP - "Research, Innovation and Digitization for Smart Transformation” Programme
GDP - Gross Domestic Product	RRF - Recovery and Resilience Facility
HICP - Harmonized Index of Consumer Prices	RS - Renewable Sources
HRDP - “Human Resources Development” Programme	RWMA - Regional Waste Management Associations
IBEX - Independent Bulgarian Energy Exchange	SAA - Social Assistance Agency
ISCCMR - Information System for Centralized Construction and Maintenance of Registers	SB - State Budget

SDG - United Nations Sustainable Development Goals

SG - State Gazette

SMEs - Small and Medium Enterprises

CSR – Country Specific Recommendation

UGS - Underground Gas Storage

UN - United Nations

VAT - Value Added Tax

WSS - Water and Sewerage System

WWTP - Waste Water Treatment Plants

Introduction

The update of the National Reform Programme (NRP) for 2023 is prepared according the annual cycle of the European Semester.

The document is aligned with the 2023 Annual Sustainable Growth Strategy and the Alert Mechanism Report, which kick off the 2023 Semester. The focus of the NRP is on the areas of the 2022 Country Report and the progress in addressing the Country Specific Recommendations (CSRs) of the Council from 2022. This is necessary due to the fact that the European Commission (EC) will publish the Country report for Bulgaria for 2023 in the month of May.

The 2023 NRP update was developed in accordance with the Medium-term Budget Forecast for the period 2024-2026 and the 2023-2026 Convergence Programme of the Republic of Bulgaria. It should be emphasised that the Law on the 2023 State Budget of the Republic of Bulgaria and the Updated Budget Forecast reflect the fiscal effects on the parameters of the budgetary framework under a no-policy-change scenario. The choice of this scenario is a consequence of the powers of the current caretaker government. The programme is influenced by the policy framework set out in the 2022 Budget Law and its subsequent update, as well as the political cycle associated with the holding of early parliamentary elections in late 2022 and early 2023. The latter resulted in the later approval by the caretaker government of the 2023 Budget Law and the accompanying Medium-Term Budget Programme. Bulgaria reserves the right to a subsequent update of the NRP and the Convergence Programme to reflect the policies and priorities approved by a possible new government or by the majority of members of the Parliament.

The commitments and measures set out in the programme are also consistent with the implementation of the principles and rights from the European Pillar of Social Rights (EPSR). Measures in implementation of the UN Sustainable Development Goals (SDGs) are also presented. The implementation of the NRP will be consistent with the proposed reforms in the 2023 OECD Economic Review of Bulgaria and will support the synchronization between the Recovery and Resilience Plan and the process of Bulgaria's accession to the OECD.

The update of the National Reform Programme includes five sections. The first one contains a short review of the macroeconomic expectations. The second section includes measures in response to the country specific recommendations and the identified gaps in the 2022 Country Report for Bulgaria. For the first and third CSRs, specific information is presented in tabular form on the measures through which the commitments and policy goals will be realized within the framework of the current semester. Summarized information on the progress of the implementation is presented for the second CSR. The third section presents information on the implementation of the milestones and targets of the National Recovery and Resilience Plan from the EC's FENIX reporting system. The fourth section reviews the progress of the UN's SDGs. The relationship between the priorities in financing from the European Structural and Investment Funds for the period 2021-2027 and the challenges identified in the 2022 Country Report for Bulgaria and the 2022 CSRs is briefly presented in the last section.

1 Macroeconomic Context and Scenario

Macroeconomic perspectives for the period covered by the Programme

Bulgaria has maintained a stable fiscal and external position over the past three years against the backdrop of a series of global crises, initially caused by the COVID-19 pandemic, and from 2022, by Russia's war in Ukraine. The country managed to recover and overcome the negative consequences of the pandemic as early as 2021. In 2022, Bulgaria's economy remained strong with real GDP growth of 3.4%. Productivity gains supported the country's export growth and market shares, and strong labor demand helped reduce the unemployment rate to a historic low of 4.3%. The country faced new challenges arising from rising international energy and food prices and growing concerns about energy security. The government supported businesses and households with measures to offset high energy prices without weakening its fiscal position. The government's fiscal balance in 2022 remained within the permissible limits under the SGP and the Law on Public Finances, and debt as a percentage of GDP was the second lowest among EU countries.

In 2023, economic growth in the country is projected to slow down to 1.8% under the influence of deteriorating external demand and financing conditions, in a rising interest rates environment, but Bulgaria will return to its relatively high growth trajectory of and above 3% from next year. Increased confidence among economic agents will support growth in household consumption and private investment.

In the medium term the employment growth will slow down. The demand for labor will continue to be high, but the possibilities for an extensive increase in the supply of labor will increasingly be limited, mainly due to the unfavorable demographic processes in the country. Nominal income growth will slow in 2023-2026, following the containment of inflation, economic activity and employment growth in the country. Also, the public sector will have a lesser contribution to the compensation per employee.

Inflation is expected to slow down significantly at the end of 2023, and will continue to decline in the following years, mainly related to the downward trend in international prices of energy goods and other raw materials, which is expected to continue until the end of 2026. Core inflation components will have a leading contribution to the increase in the general harmonized index of consumer prices (HICP).

The credit for the private sector grew with 12,7% in 2022 as a result of a strong demand for loan resources by enterprises and households. Until the end of the forecast period, claims on non-financial corporations will remain relatively stable, influenced by both the National Recovery and Resilience Plan (NRRP) and accelerated growth in private investment. The claims on households, on their part, will slow down for the whole period.

The global geopolitical situation continues to be characterized by a high degree of uncertainty, which creates significant risks to the realization of the macroeconomic forecast. The openness of the Bulgarian economy makes it dependent on the economic dynamics of our main trading partners, especially those from the EU. The worsening of the financing conditions may have a stronger negative effect on investments than expected. At the same time there are risks in a positive direction. At the beginning of 2023, short-term business indicators showed a substantial improvement regarding the expectations for developments in the Euro area and in other major economies. It is possible that during the current year our trading partners will realize higher growth than projected¹, which would have a positive impact on exports and economic development in the country.

¹ Detailed information on the alternative macroeconomic scenarios for the development of the economy is presented in the Convergence Programme of the Republic of Bulgaria (2023 – 2026)

2 Response to major economic challenges identified in the Specific Recommendations of the Council from 2022, in the Report of the EC on Bulgaria from 2022 and in the Joint Report on Employment for 2022.

Implementation of the 2022 Country Specific Recommendations of the Council

Country Specific Recommendation 1

In 2023, ensure that the growth of nationally financed current expenditure is in line with a overall neutral policy stance, taking into account continued temporary and targeted support to households and firms most vulnerable to energy price hikes and for people fleeing Ukraine. Stand ready to adjust current spending to the evolving situation. Expand public investment for the green and digital transition and for energy security, including by making use of the RRF, REPowerEU initiative, and other EU funds. For the period beyond 2023, pursue a fiscal policy aimed at achieving prudent medium-term fiscal positions.

Policy Summary

The first months of 2022 were marked by the continued steady rise in electricity prices, which required the compensation programmes for non-household customers of electricity and natural gas implemented in the last quarter of 2021 to be further developed and continue to be applied in 2022. The extension of the programmes until the entry into force of the update of the 2022 State Budget of the Republic of Bulgaria Law (SBRBL) for 2022 was within the cost ceilings of the Annual Budget Law, with compensatory payments being made through expenditures under the budget of the Electricity System Security Fund (ESSF), including at the expense of additional revenues. The outbreak of war in Ukraine further exacerbated this trend, where the series of shocks to energy carriers, fuel and commodity markets and disrupted supply chains changed the economic outlook and created unprecedented risks for a number of sectors of the economy. On the other hand, these shocks also led to a further acceleration of inflation in many goods, which threatened low-income people and greatly increased the group of people with incomes below the poverty line.

In response to the increase in the price of oil, natural gas, electricity, fuels, food products, including in view of the military conflict in Ukraine, a package of anti-crisis measures to support businesses and households was adopted in 2022. The measures were introduced with the update of SBRBL² for 2022 promulgated on July 5, 2022. The adopted anti-crisis measures in the field of tax policy include the introduction of a reduced value added tax (VAT) rate of 9% from July 2022 for supply of central heating and natural gas, zero VAT rate for the supply of bread and flour, as well as exemption from excise duty on natural gas and liquefied petroleum gas used as motor fuel, and on electricity in the cases defined by the law. Programmes to offset the expenses of non-household end customers of electricity continued to operate throughout 2022, creating predictability and security for businesses.

With the adopted changes to the Corporate Income Tax Law, a temporary solidarity contribution was introduced for the excess profits generated by companies in the crude petroleum, natural gas, coal and refinery sectors, with the proceeds being used to cover costs under programmes adopted by the Council of Ministers in implementation of Article 17 of Regulation (EU) 2022/1854. With paragraph 8 of the Transitional and Final

² Law Amending and Supplementing the LSBRB for 2022, promulgated in the SG, issue 52 from July 5, 2022.

Provisions of the Law on the Implementation of Provisions of the Law on the Budget of the Republic of Bulgaria for 2022, the Law on the State Budget of the Public Social Insurance for 2022 and the Law on the Budget of the National Health Insurance Fund for 2022) a mechanism was adopted in implementation of Articles 6, 7 and 8 of Regulation (EU) 2022/1854 for determining a ceiling on market revenues and their distribution, through which certain producers and traders of electricity owe targeted contributions to the ESS Fund, representing the positive difference between the market revenue without VAT and the specified revenue ceiling calculated by applying the values for the relevant producer type.

In addition to the package of anti-crisis measures in the revenue and expenditure part of the budget, in the course of the discussion of the budget update, another major problem businesses were facing was addressed - the creation of a mechanism for paying compensation for the high prices of electricity for customers outside the regulated market. A specific mechanism was regulated for the payment of compensations to non-household customers of electricity at the expense of targeted contributions from public enterprises from the Energy sector with one hundred percent state participation in the capital. It was decided that the amount and term for making the targeted contributions will be determined by the Council of Ministers, with the funds coming from the ESSF budget and serving to pay compensations to non-household end customers of electricity. The compensations paid by the Fund were set at the amount of one hundred percent of the difference between the average price of the "day ahead" segment of the Independent Bulgarian Energy Exchange EAD (IBEX) for the relevant month and the base price of BGN 250/MWh, with the mechanism applied for the period July 1, 2022 - December 31, 2022. Pursuant to the Decision of the 48th National Assembly, support for non-household end customers continues in 2023, and the Council of Ministers is obliged to adopt a programme to support non-household end customers of electricity by compensating their costs in the amount of 100 percent of the difference between the real average monthly exchange price of the "day-ahead" segment of the Independent Bulgarian Energy Exchange EAD, for the relevant month, and the base price of BGN 200/MWh.

According to the LPF, at the beginning of 2023, the budget procedure for 2024 will also start, and within the framework of the first stage, the government should approve the medium-term budget forecast for the period 2024-2026, simultaneously with the NRP and the Convergence Programme, according to the terms of the European Semester, for the development of which it is necessary to have a basis for the development of policies, which in this case should be the budget for 2023. In this regard, the caretaker government presented a draft of the 2023 Regional Development Plan and an Updated Budget forecast for the period 2023–2025 with parameters and assumptions based on the current legislation, and a number of revenue and expenditure measures with the corresponding fiscal effect have been proposed, which, if they meet parliamentary support, will ensure that the deficit is brought within the limits of fiscal rules.

In the field of digital transition, an update of the strategic framework regarding digital transformation is forthcoming, incl. on the development of public administration in the Republic of Bulgaria to be fully aligned with the objectives of the European Digital Decade European Policy Programme until 2030 and to take into account the European Declaration on Digital Rights and Principles for the Digital Decade, guaranteeing a human-centred digital transformation.

As part of the national policy to reduce greenhouse gas emissions and adapt to climate change, financial support for projects to reduce greenhouse gas emissions continues under the Climate Investment Programme (CIP) and the Climate Microprojects Programme of the National Trust Eco Fund, as well as under the European Economic Area Financial Mechanism (EEA FM).

In the period 2021–2027, the Regional Development Programme will finance sustainable renovation of housing and public building stock, as well as measures for sustainable urban mobility, including provision of green rolling stock for public transport and accompanying integrated measures such as charging stations for alternative fuels, intelligent transport systems and integrated digital solutions to improve efficiency. The investments for digitalisation and sustainability of transport will have a significant contribution for the ecological as well as for the digital goals of the country.

Bulgaria follows the goals and priorities of REPowerEU to rapidly reduce dependence on fossil fuels and accelerate the energy transition towards achieving common energy and climate goals through energy savings, diversification of energy supplies and accelerated implementation of renewable energy, taking into account national features including and regarding the choice of the specific technologies and sources. The country continues to rely on nuclear energy as a specific low emission technology in the long-term. In addition to

exploiting the potential of solar (including new solutions such as agro-photovoltaics and floating photovoltaics), water and wind energy, the focus is also on the integration of geothermal energy, incl. and in modernized systems for centralized heat supply. The ongoing legislative and regulatory reforms seek to overcome the challenges regarding solving the problems of large projects for renewable energy sources, without conflict with the environment. In coordination with the countries of the Region and with the EC, work is being done in the direction of complete diversification of energy supplies, and at the moment independence from imports of natural gas from Russia has been achieved. Concrete measures are being implemented in response to ambitions to replace fossil fuels in buildings, industry, transport and power generation. Work is also underway to provide additional financial support under REPowerEU, as well as to strengthen administrative capacity, including through the provision of technical assistance from the EC on specific initiatives. When implementing the energy transition, attention is also paid to the application of various mechanisms to increase the security of supplies and the predictability of prices, incl. also the targeted support schemes described above.

Policy Response

The NRRP foresees measures to support the digitization of public services and the development of e-government, including the digitization of information files in the administration, containing register data and e-certification from registers, which will create the prerequisites for the widespread provision of electronic and internal electronic administrative services, as well as complex administrative services, proactive services and “life events” type services.

A main element of the digital transformation is the broadband Internet access. A widespread distribution of digital infrastructure on the territory of the Republic of Bulgaria will be implemented with financing under the NRRP. The investment is a prerequisite for unlimited access to public services, regardless of place and time, as it will create more opportunities for people to overcome economic and social isolation - local enterprises will be facilitated and motivated to implement new business strategies and models, develop innovative products and services competitive in regional and international markets, labor mobility will allow the creation of new jobs and the capture of market niches.

The main objective of the planned reforms and investments in the Low Carbon Economy component is to reduce the carbon footprint and energy intensity of the economy and to support the green transition by taking measures to increase the energy efficiency of residential, public and business buildings, as well as by promoting the production of energy from renewable sources. Of key importance is the modernization of planning, management and maintenance activities of the country's electricity transmission network, as well as the completion of the ongoing reform of the electricity market in the direction of full liberalization. The research and pilot development of low-carbon energy solutions, which are poorly represented at this stage in Bulgaria, is another priority area in the direction of decarbonisation for the country. The exploration and construction of geothermal energy sources as well as storage facilities will make possible the smooth decarbonisation of the Bulgarian energy sector by reducing emissions and not by closing coal-fired power plants in the coming years. The currently developed supplement to the NRRP includes a package of investment proposals in fulfillment of the REPowerEU objectives related to the development of network infrastructure for accelerated integration of RES, as well as “future-ready” gas infrastructure. In addition, a package of projects is proposed for buildings with close to zero energy consumption, including linked to the reform for the National Decarbonisation Fund.

The implementation of data-based governance and the transition to a data-based knowledge economy and cyber security are supported by measures under the 2021-2027 "Research, Innovation and Digitization for Smart Transformation" Programme (RIDSTP), Priority 2 Digital Transformation of the Public Sector.

In 2023, activities will be launched on building a strategic, organizational and technical framework for governance and for data interoperability and strategic communications and promoting the potential of data for good governance. The goal is the administration as well as the business, the scientific and academic field and, the non-governmental sector to be able to use data generated in the public and private sector with public funds in the country. The analysis will help to identify measures that will ensure the sustainable development and management of the technological framework for working with data to ensure the digital transformation of the public sector and its transition to data-based management, priority sectors will also be identified and areas of public interest in which to start the phased organization of data spaces, in accordance with the European framework, as well as with recommendations for legislation, for organization and for building the necessary capacity - technical and human.

With the development activities of the horizontal systems of e-government and the implementation of the Single Model for Requesting, Paying and Providing Electronic Services, its use will be expanded for new target groups that fall within the scope of Art. 1, paragraph 2 of the Law on E-Government (LEG) (heating companies, energy companies, etc.), as well as for the implementation of new services and inquiries for citizens and businesses through the portal www.egov.bg.

To promote resource efficiency and the circular economy through sustainable waste management, investments with funds from the European Structural and Investment Funds (ESIF) under the OP Environment 2014-2020 (OPE) in the amount of BGN 576.2 million in the Waste sector are mainly aimed at: design and construction of composting installations and installations for pre-treatment of household waste, composting installations for separately collected green and/or biodegradable waste, anaerobic installations for separately collected biodegradable waste and demonstration projects in the field of waste management. The implementation of the projects foresees the provision of an additional capacity for waste recycling of 240,000 tons per year.

The population's connection to improved water and sewerage services is growing in a constant and stable trend with the aim of prioritizing the protection of water resources from pollution and efficient use of water resources. The currently implemented projects in the WSS sector are being implemented with a significant financial resource from the ESIF under the OPE amounting to BGN 1.873 billion. 15 Regional Feasibility Studies (RFS) have been developed for 15 separate territories including for the Capital City territory. The development of additional RFS for 6 territories (out of a total of 28 in the country) was financed for the implementation of water infrastructure facilities in agglomerations over 10,000 p.e. in the period 2021–2027. 20 projects for the construction of WSS infrastructure are in the process of implementation. Implementation of WSS infrastructure facilities in agglomerations over 10,000 p.e. is planned with a significant financial resource from ESIF and under the 2021-2027 EP, for which BGN 1.399 billion is provided.

In connection with the adaptation to climate changes, within the framework of priority axis 4 "Prevention and management of the risk of floods and landslides" of the OPE 2014-2020 with a resource of nearly BGN 138 million, the following are financed: creation of a National Water Management System in real time; measures to introduce flood risk prevention and management solutions, including ecosystem-based solutions; establishment of 6 centers to increase the population's readiness for an adequate response to floods; expanding the scope and modernization of the National System for Early Warning and notifying the bodies of the executive power and the population; measures to prevent and manage the risk of landslides.

In order to protect, maintain and restore ecosystems and their inherent biological diversity, investments with OPE funds in the amount of BGN 135.5 million are aimed at: improvement of the nature protection 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 of measures to improve the conservation status of birds; improvement of the nature conservation status of natural habitats, as well as improvement of the nature conservation status of species in the Natura 2000 network through the "community-led local development" (CLLD) approach in the territory of local initiative groups, etc.

Also with European funding under the OPE 2014-2020 in the amount of approximately BGN 577 million, investments continue in activities for the implementation of the National Programme for the Improvement of Atmospheric Air Quality 2018-2024, the National Programme for the Control of Air Pollution (2020–2030) and municipal programmes for the quality of atmospheric air, with the aim of reducing the total emissions of certain pollutants and achieving and maintaining the levels of controlled atmospheric pollutants corresponding to the norms laid down in the national legislation. It is expected that the measures for decreasing the quantity of pollutants will cover approximately 3 million inhabitants until the end of 2023.

In the Waste sector, planned investments with EU funds in the next programme period are focused on interventions stimulating the transition to a circular economy, including reducing the amount of landfilled waste. The measures under the Environment Programme (EP) 2021-2027 are mainly aimed at building, expanding and/or upgrading municipal/regional systems for separate collection and recycling of biodegradable waste, systems/centers for separate collection and preparation for re-use and repair, waste recycling measures and models for optimizing the municipal waste management process in Bulgaria. Measures to raise awareness of sustainable consumption and the circular economy, as well as information and clarification campaigns for stakeholders and the public, will also be supported.

The resources under the 2021-2027 EP in the "Waters" direction are mainly aimed at realizing eligible investments for agglomerations over 10,000 p.e. in the period 2021-2027, development of RFS for future funding

for newly consolidated areas, etc. Interventions in the field of integrated water management, aimed at protecting and improving the state of water and achieving and maintaining a good state of water bodies in Bulgaria and achieving and maintaining a good state of the environment in sea waters, will continue to be a top priority.

The EP 2021-2027 envisages support for measures to promote climate change adaptation, disaster risk prevention and resilience, taking into account ecosystem approaches, incl. measures for the prevention and management of the risk of floods and droughts, adverse geodynamic processes (landslides, collapses, erosions, abrasions); increasing the readiness of the population for an adequate response and improving resilience by providing land capacity to fight forest fires, building new and optimizing and/or expanding existing warning, monitoring, reporting systems; forecasting and signaling, development of digital models, analyzes and forecasts in relation to climate change, etc.

Interventions in the field of protection, maintenance and restoration of ecosystems and their inherent biological diversity under the EP 2021-2027 will be aimed at measures related to the development of the Natura 2000 network, improving the nature conservation status of natural habitats and species subject to protection in the network Natura 2000, protection/restoration of ecosystems and their inherent biological diversity outside Natura 2000, etc.

Investments will continue under the 2021-2027 EP, aimed at improving the cleanliness of the atmospheric air and addressing the two main sources of pollution - domestic heating and transport, incl. for measures to deal with secondary dispersion – green infrastructure in an urban environment; improving the monitoring of atmospheric air quality (AAQ), etc.

In response to recommendations to increase public investment for the ecological and digital transition, the Regional Development Programme (RDP) 2021-2027 will prioritize measures to achieve near-zero energy consumption, which should contribute to increasing the country's energy and resource efficiency, including climate change mitigation.

The implementation of the investments envisaged under the RDP will directly contribute to savings in end energy consumption through sustainable improvement of the energy performance of buildings, including increasing the number of buildings with close to zero energy consumption, stimulating low-carbon development of the economy, promoting and increasing the use of energy from renewable sources (RS).

2022 Country Report for Bulgaria and/or 2022 Joint Employment Report

Findings	Policy response
Bulgaria scores very poorly on the DESI index "digital public services". The results of the public administration of Bulgaria are significantly below the average value for the EU. Ongoing reforms to digitalize, deliver better services and make better policies, including with support from EU funds, have so far produced mixed results. The e-government indexes are much below the average for the EU.	<p>The development of the horizontal systems of electronic management governance and the ever wider application of the Unified Single Model for Requesting, Paying and Providing Electronic Services in the state administration continues.</p> <p>In 2022, 272 new electronic services for centralized application through the unified Single portal www.egov.bg were developed and information was published on 142 electronic administrative services provided decentralized by the Patent Office, the National Revenue Agency (NRA) and the National Social Security Institute (NSSI).</p> <p>By the beginning of 2023, 501 administrations provide centralized electronic services through the portal www.egov.bg, of which 48 central, 303 municipal and their regional structures, 27 regional and 123 specialized territorial administrations. Information on a total of 1,780 electronic services has been published on the portal, of which 1,203 have been implemented through a centralized application according to the approved Unified Single Model for Requesting, Paying and Providing electronic services. There were nearly 150,000 applications made electronically through www.egov.bg services by citizens and businesses, with 68,385 services applied for in 2022, which is twice as many as the previous year, when the number of applications was 35,020. The most frequently requested services are provided by municipal administrations; the Social Assistance Agency (SAA) and the Employment Agency (EA).</p>

The development of the inter-registry exchange environment through the joining of new registries, references and data ensures an increasingly widespread application of the "only once" principle, as a large part of the administrative services related to the provision of certificates and references are eliminated. The RegiX system includes over 80 registers and almost 70 million queries were made for 2022. For the period from 2018 to February 2023 over 232 million internal electronic administrative services were requested and provided.

In support of achieving a higher level of maturity in management based on the use of data and user centricity, the implementation of proactive digital services in the public sector is planned, which will respond to individual needs, circumstances and life events that arise.

In order to provide Bulgarian citizens with the possibility of reliable electronic identification when applying for electronic services both on the territory of Bulgaria and in other EU member states, the Republic of Bulgaria is in the process of procedures for preliminary notification of the European Commission (EC) on schemes for electronic identification (other than those provided for by the Law on Electronic Identification) that are in accordance with the requirements of Art. 7-9 of Regulation (EU) No. 910/2014.

In January 2023, the implementation of contract-146/23.12.2019 with the subject "Upgrading the Single Portal for Access to Electronic Administrative Services with new functionalities, guaranteeing its operability and creating new and updating existing administrative sites templates" with funding from the Operational Programme "Good Governance" (OPGG). Within the framework of the project, basic functionalities were implemented/upgraded, incl. optimization of the taxonomy of services in the Portal (www.egov.bg); implementation of a centralized system for managing profiles of citizens, businesses and administrative bodies and structures for access to services; optimized electronic form and procedure for user registration, which will use the legally established means of identification; implemented integration in fulfillment of the requirements of Art. 4 of Regulation (EU) 2018/1724, and the corresponding areas and sections have been created; created personalized workspaces (standardized profiles) "My egov.bg" for: natural persons, legal persons, recipients of services; legal persons, providers of services. The expected result is a significant improvement in the online provision of key public services.

The implementation of a project of the Ministry of Electronic Governance (MEG) is in progress, within the framework of which an Information System for Centralized Construction and Maintenance of Registers (ISCCMR) will be developed and implemented. The developed "Reference Architecture for Interoperability", its normative regulation and subsequent implementation will ensure an increase in the level of interoperability of information resources, control and monitoring of access and distribution of data.

Through ISCCMR, it will be possible to create and maintain registers in electronic form that meet the requirements of the LEG, as well as to build centralized registers for interoperability based on the reference architecture for interoperability. The system will automatically generate web services needed to interact with external systems, including through the integration bus for exchanging authentication and reference information.

Efforts aimed at improving legislation to overcome obstacles to the efficient, secure and easy provision of electronic administrative services for citizens and businesses continue. For this purpose, in 2022 a draft law was drawn up to amend and add to the LEG (adopted by Decision of the Council of Ministers (DCM) No. 309 of November April 21, 2023 and

Findings

Policy response

The circular use of materials in Bulgaria is among the weakest in the EU. Bulgaria is among the Member States who fall behind the most in the application of the measures for circular economy.

submitted for consideration in the National Assembly (NA). The proposed changes aim to significantly speed up the process of developing e-government in the Republic of Bulgaria with real benefits for the users of the services, as well as for the administrative bodies that provide them. In order to stimulate the use of electronic administrative services, it is planned to introduce an explicit obligation to provide administrative services electronically with a reduced fee compared to the fee for applying and providing them in person, as well as their promotion.

A Strategy and an Action Plan for transition to circular economy of the Republic of Bulgaria for the period 2022-2027 were adopted in October 2022.

Investments with ESIF under OPE 2014–2020 in the amount of BGN 576.2 million are mainly aimed at improving household waste management at the regional and municipal level, including for separate collection and recycling of household waste, for preliminary treatment before disposal of mixed waste, etc. A procedure under the EP 2021-2027 to support measures to build, expand and/or upgrade municipal/regional systems for separate collection and recycling of biodegradable waste, models for optimizing the municipal waste management process in Bulgaria, as well as reclamation of landfills/cells of municipal waste landfills is to be announced.

Projects in the WSS sector continue to be implemented with a significant financial resource from ESIF under OPE - in the amount of BGN 1.873 billion for the period 2014-2020. A financial resource is also foreseen under EP 2021-2027. It is planned to be provided through NRRP funds for WSS infrastructure in smaller agglomerations between 5,000 and 10,000 p.e. Implemented activities to develop and strengthen the institutional environment and capacity for effective management of the WSS sector and provision of quality water supply services.

A special measure ("Support for the transition to a circular economy in enterprises") is foreseen under the Economic Transformation Programme of the NRRP, the purpose of which is to contribute to accelerating the transition to a circular economy by providing grants to enterprises from the production sector for implementation of circular models for the use of resources and the implementation of climate-neutral methods and technologies for the production and consumption of the products of their activities.

The procedure is directly aimed at promoting investments in circular solutions to reduce the resource footprint by applying waste recycling and reuse technologies, increasing the use of bio-based resources, limiting the use of single-use plastic products, extending the life cycle of the products and other methods ensuring the creation of value based on circular models of production and consumption. The measure has a budget of BGN 180 million and is to be announced in 2023.

Under the "Competitiveness and Innovations in Enterprises" Programme (CIPP) 2021-2027, more than BGN 885 million are set for the implementation of measures related to the promotion of the transition to a circular economy in enterprises. Supported activities include those related to more efficient use of natural resources in production, increasing the durability and repairability and longer use of products, improving waste management in enterprises, as well as measures to develop and implement innovations in enterprises.

In order to succeed in meeting its current targets for reducing greenhouse gas emissions by 2030 in the sectors not

Measures for mitigation and adaptation to climate change are financed through the National Trust Eco-Fund (NTEF) and the "Environmental Protection and Climate Change" Programme of the EEA FM 2014-2021.

Findings

covered by the emissions trading scheme, Bulgaria needs to take additional measures.

Policy response

Support is also foreseen from the EP 2021-2027 for measures to promote climate change adaptation, disaster risk prevention and resilience, taking into account ecosystem approaches.

Regarding the biodiversity and health of ecosystems there are possibilities for improvement.

In relation to the management of protected areas of the Natura 2000 ecological network, efforts are aimed at introducing a new approach to the management of the Natura 2000 ecological network. There is also an ongoing development of specific and detailed nature protection goals for a number of protected areas. Funds from OPE amounting to BGN 135.5 million finance measures to improve the conservation status of species (including birds) and natural habitats. Interventions with funds from the EP 2021-2027 will be aimed at supporting the implementation of the NRRP reform to create management bodies for the protected areas of the Natura 2000 network, identify and remove atypical tree and shrub species in territories with habitat distribution and in close proximity to them, restoration of typical species and removal of invasive foreign species, construction and maintenance of facilities for public access, demonstration and introduction of forestry practices for sustainable forest management, etc.

Regarding the pollution, the air quality in Bulgaria continues to rise serious concern.

Interventions for support continue with funds from the OPE amounting to approximately BGN 577 million for measures of the municipalities to improve the ambient air quality, diverted to domestic heating and addressing the transport as a pollution source of the atmospheric air. It is expected the measures to decrease the pollutants quantities to cover almost 3 million inhabitants until 2023. Under EP 2021-2027 there is an upcoming announcement for procedures for support of activities such as: replacement of solid fuel heating devices with environment friendly alternatives, green areas in municipalities with impaired atmospheric air quality, creation of a National Network of experts in atmospheric air quality, etc. It is planned to introduce and implement a Mechanism for National Investments in the improvement of atmospheric air quality in 2023. The Mechanism will address the main problem for the country in terms of air pollution at the national level - excessive levels of fine particulate matter (PM).

Table 2-1: Measures addressing CSR 1, part of Appendix 1

Policy Field	Name of the Measure	Information regarding the Planned and Taken Measures					Expected Effect including Budgetary	Indexes for Effect with Current and Target Value
		Short Description of the Measure	Start Date	Current Status (As of April 2023)	Upcoming Stages in the Implementation of the Measure until its End Date for Execution (after April 2023)	End Date		
1	2	3	4	5	6	7	8	9
Targeted support for households and businesses most vulnerable to rising energy prices (Tax Policy)	Reduction of the VAT rate	Reduction of the VAT rate from 20% to 9% for the supply of central heating and natural gas	July 9, 2022	A reduced VAT rate is introduced with amendments to the Law on VAT (LVAT) and Article 25 of the Law Amending and Supplementing (LAS) of the LSBRB (promulgated, SG, issue 52 from July 5, 2022.).	Application of the reduced rate in compliance with the acting regulations of the LVAT.	July 1, 2023	Mitigating the impact of high energy prices on households and businesses, particularly the most vulnerable, while avoiding supply disruptions The budgetary effect for 2023 is valued at a loss for the budget amounting to BGN 61 million.	Average monthly number of suppliers having implemented the reduced tax rate
	Exemption from excise duty on certain energy products	Exemption from excise duty on electricity, liquefied petroleum gas and natural gas pursuant to Article 15 of Council Directive 2003/96/EC of 27 October 2003 restructuring the Community legal framework for the taxation of energy products and electricity	July 9, 2022	The exemption is set in the regulations of the Law on Excise Duties and Tax Warehouses (LEDTW) with Article 28 of the LAS of the LSBRB (promulgated, SG, issue 52 from July 5, 2022)	Application of the exemption in compliance with the acting regulations of the LEDTW.	June 30, 2025	Support for businesses and citizens, consumers of electricity, liquefied petroleum gas and natural gas in connection with the significant increase in the prices of energy products The budgetary effect for 2023 is valued at a loss from excises amounting to BGN 154.3 million and from VAT	Average monthly number of producers/importers having applied the exemption. Current value for 2022 – 267.

1	2	3	4	5	6	7	8	9
							BGN 30.9 million.	
	Temporary solidarity contribution for generated surplus profits	Union companies and establishments operating in the crude petroleum, natural gas, coal and refinery sectors pay a mandatory temporary solidarity contribution on the generated surplus profits in accordance with Article 14 of Regulation (EU) 2022/1854 of the Council of 6 October 2022 on emergency intervention to deal with high prices of energy (OJ, L 261/1 of 7 October 2022) of 33 percent	October 8, 2022	Article 9 of the of the Transitional and Final Provisions of the LAS of the Law on Corporate Income Taxation (SG, issue 99 from 2022, amended and supplemented, issue 102 from 2022, in force from December 13, 2022)	Application of the legal rules.	2022 and 2023.	The estimated receipts from tax profits for 2022 are valued at BGN 87.9 million, of which BGN 72 million are paid in advance.	Covering costs for programmes adopted by the Council of Ministers in implementation of Article 17 of Regulation (EU) 2022/1854.
	Revenue ceiling for specific producers and traders of electricity.	Pursuant to Articles 6, 7 and 8 of Regulation (EU) 2022/1854 establishing a ceiling on market revenues and their distribution, by which certain producers and traders of electricity owe targeted contributions to the ESS Fund, representing the positive difference between market revenues excluding value added tax and the specified revenue ceiling calculated by applying the values for the relevant producer type.	December 1, 2022	Article 8 of the Transitional and Final Provisions of the Law on the Implementation of Provisions of the Law on the State Budget of the Republic of Bulgaria for 2022, the Law on the State Budget for Public Insurance for 2022 and the Law on the Budget of the National Health Insurance Fund for 2022 (LIPLSBRBLSBPILBNHIF) (SG, issue 104, December 30, 2022)	Application of the legal rules.	2022 and 2023.		Covering costs for programmes adopted by the Council of Ministers in implementation of Article 17 of Regulation (EU) 2022/1854.
Increasing the public investments in digital transition	Building a strategic, organisational and technical framework for data governance and interoperability	Identification of the priority sectors and areas of public interest in which to start the phased organization of data spaces, in accordance with the European framework, as well as recommendations for legislation, for organization and building the necessary capacity - technical and human.	2023	A procedure for the collection of project proposals is about to be opened to carry out analyzes of the needs for the preparation of a strategic, organizational and technical framework for governance and interoperability of data	Within the scope of the measure, activities related to the preparation of analyses, including various aspects, will be implemented, and a technical, organizational and architectural framework for data governance will be prepared, defining and regulating architectural, technological, organizational and regulatory requirements for all processes of creating, storing, organizing, managing, sharing and exchanging, analyzing, extracting knowledge and creating value from data.	2024	BGN 9.6 million RIDSTP	- Prepared analyses of data, including normative, strategic and methodical, operational, technological and technical and other aspects; Current value – 0 Target value - 1 - prepared Plan for Changes in the Regulatory Framework, including projects for legal regulations and accompanying documents; Current value – 0

1	2	3	4	5	6	7	8	9
								Target value - 1 - prepared technical, organizational and architectural framework and roadmap/plan for action for the construction of national data spaces. Current value – 0 Target value - 1
Increasing the public investments in digital transition	Strategic communications and promotion of the data potential for good governance	The aim is to raise public awareness of the possibilities of data creation and use and to attract different stakeholders to use and reuse data and participate in data spaces	2023	A procedure for recruiting project proposals is about to be opened for the preparation of a communication strategy/communication plan for promoting the potential of data and for the organization and conduct of information and communication events to promote the processes of creation, storage, organization, management, sharing and exchange, analysis, extracting knowledge and creating value from data, using and reusing data.	Within the scope of the measure the following activities will be implemented: 1. Preparing a communication strategy/communication plan for its realization; 2. Implementation of the media and communication activities envisaged in the Plan, for example: development and maintenance of a website addressing the data policy; distribution of documents; appearances in the media, informative films and clips on television, advertisements and other contacts with the press; dissemination of information through social networks and channels; publications; audiovisual productions; public opinion polls and analysis of poll results; organization of conferences, traveling exhibitions and seminars, participation of MEG in annual international forums organized by the EU and third countries; others recommended by the strategy and included in the plan for its implementation.	2025	BGN 2.2 million RIDSTP	- Developed communication strategy/communication plan to popularize and promote the use and re-use of data and to implement data-based management; Current value – 0 Target value - 1 - Implementation of the envisaged in the Plan activities for informing the public. Current value – 0 Target value - 1
Increasing the public investments in digital transition	Expanding the functional and technological capabilities of the components of the Single Model for Requesting, Paying and Providing Electronic Services as a result of joining new administra-	The measure aims to expand the scope of the use of the Single Model for Requesting, Paying and Providing Electronic Services (the Single Model) and the horizontal systems included in it by the persons under Article 1, para. 1 and para. 2 of the LEG	2023	Starting the activities under the measure is upcoming	The scope of the measure includes: - upgrading the functionalities of the Single Model for joining administrations and new target groups and new interaction models; - upgrading the functionalities of the Single Model in connection with the provision of proactive services; - building a functionality that allows to ensure the provision of a service "Retrieving a report on due taxes and other public legal obliga-	December 2023	BGN 1.3 million OPGG and own budget	- provided functionalities of the Single Model for joining target groups that fall within the scope of Art. 1, para 2 of the LEG (Heating companies, energy companies, etc.) and

1	2	3	4	5	6	7	8	9
	tions and organizations providing public services, regardless of the legal form of their establishment, and/or new processes				tions and their payment electronically”, entered under number 3217 in the Administrative Register, through the single portal egov.bg;; - analysis of the regulatory framework in various business spheres, the scope of services and business processes and creation of proactive service models based on good practices and recommendations and their legal regulation.			models of interaction with the Single Model; - developed a service for retrieving a report on due taxes and other public law obligations and their payment electronically through egov.bg; - created new models of proactive services.
Increase public investment for green energy and the digital transition, as well as for energy security, taking into account the REPowerEU initiative, including through the use of the Recovery and Resilience Facility (RRF) and other Union funds.	Applying the waste management hierarchy, preventing its generation, promoting its reuse and recovery through recycling, reducing landfilling and limiting its harmful impact on the environment and human health.	Investments in facilities, systems and business models for use of waste as resource in support of circular economy. Investments to ensure the necessary infrastructure to treat household waste, generated in the country.	2015	Under OPE 2014-2020, 157 Administrative Contracts for Grant Awarding (ACGA) have been concluded in the sector with a total AG value of BGN 590.9 million. The projects include: design and construction of composting installations and installations for preliminary treatment of domestic waste (the projects implemented by the municipalities of 6 regional waste management associations (RWMAs) have been completed, those of 12 RWMAs are ongoing); design and construction of anaerobic installations for separately collected biodegradable waste (projects of municipalities from 3 RWMAs are being implemented); design and construction of composting installations for separately collected green and/or biodegradable waste (projects of 11 municipalities have been completed, 4 more projects are in progress); demonstration (pilot) projects in the field of waste management (under implementation – 39 projects; completed – 21); reclamation of landfills, the subject of a procedure for violation of EU law in case C-145/14 (47 projects implemented, 7 in progress, with 3 landfills remaining to finalize reclamation of the ground); implementation of a decentralized model for bio-waste management in one of the regions in Bulgaria (the municipalities of Sevlievo, Dryanovo and Suhindol), including the construction of the necessary	Implementation of projects under concluded ACGA for OPE 2014-2020. Preparation and announcement of procedures under EP 2021-2027 for the support of: measures to build, expand and/or upgrade municipal/regional systems for separate collection and recycling of biodegradable waste - for RWMA according to Appendix No. 8 of the National Plan for the Management of Household Waste for the period 2021-2028; models for optimizing the municipal waste management process in Bulgaria; reclamation of landfills / cells of municipal waste landfills; Municipal waste management measures are focused on RWMAs with needs to finish/upgrade their systems for separate collection and recycling of biodegradable waste and preparation for re-use to meet regulatory targets at regional level by 2030, and whose needs are identified in the National Plan. Implementation of projects under EPCCP of the EEA FM 2014-2021. Implementation of activities for reclamation of solid household waste landfills. Preparation of an analysis for the selection of a specific model and parameters for the introduction of a deposit system for packages in Bulgaria, incl. proposed scope of the deposit	2023	OPE 2014-2020 BGN 576.2 million EP 2021-2027 BGN 611.5 million EPCC Programme of the EEA FM 2014– 2020: BGN 3.3 million	Under OPE 2014-2020: 1. Additional capacity for waste recycling - 240,000 tons/year until 2023. 2. Completed technical reclamation of landfills, subject to a procedure for violation of EU law in connection with the decision of the Court of the European Union of July 16, 2015 in case C-145/14 - 56 items.

1	2	3	4	5	6	7	8	9
				<p>technical infrastructure - a separate collection system and a recycling facility (completed).</p> <p>Under call for tenders "Circular economy and resource efficiency" under the "Environment Protection and Climate Changes" Programme (EPCCP) of the EEA FM 2014-2021, 5 contracts were concluded with an AG of BGN 3.3 million. The call aims to improve the management of waste at the municipal level and its use as a resource, through the implementation of municipal schemes for separate collection and recycling of waste.</p> <p>A Strategy and an Action Plan for transition to circular economy of the Republic of Bulgaria for the period 2022-2027 were adopted with Decision of the Council of Ministers No 832 from October 26, 2022.</p>	<p>system - type of packages and products; identifying the factors to be considered in determining the scope; justification of choice; quantitative assessment of the flows/types of packages and products, according to the analyzes and forecasts.</p> <p>Carrying out a comprehensive study on the amounts of food waste generated from all stages of the food supply chain, to serve in the annual reporting to the EU.</p> <p>Conducting a study and introducing extended producer responsibility regarding waste from all products placed on the market, incl. for tobacco products with filters and filters sold for use in combination with tobacco products.</p>			
	<p>Introduction and implementation of an integrated approach to realize priority investments in WSS infrastructure and water management.</p>	<p>Investments in construction, rehabilitation and modernization of WSS infrastructure for agglomerations with more than 10,000 p.e. and agglomerations between 2,000 and 10,000 p.e..</p> <p>Implementation of the launched overall reform in the WSS sector with the aim of achieving consistency and sustainability in determining and implementing investment priorities in consolidated WSS areas.</p>	2015	<p>Under OPE 2014-2020 in Waters sector as of now 43 ACGA have been concluded with a total value of the AG BGN 2.115 billion.</p> <p>The projects include: supporting the regional investment planning of the WSS sector - preparation of RFS (a project for the development of 6 RFS for newly consolidated territories is in progress, for another 15 RFS, including the Capital City Municipality, the projects have been completed); supporting efficiency, management and institutional capacity in connection with the implementation of the reform in the WSS sector (completed); construction of WSS infrastructure, incl. second phase of projects for the construction of WSS infrastructure, the implementation of which has started under OPE 2007-2013, early WSS projects (in order to ensure the continuity of the process of construction of the WSS infrastructure until the preparation of the RFS) and a regional investment WSS project for the designated territory of WSS EOOD Smolyan (12 projects for the construction of WSS infrastructure completed, in the process of implementation -20); development and implementation of methods for analysis of water,</p>	<p>Implementation of projects under concluded ACGA for OPE 2014-2020.</p> <p>Preparation and announcement of procedures under EP 2021-2027 for: the second phase of WSS projects, the implementation of which began in the period 2014-2020; construction of WSS infrastructure for 7 WSS operators.</p> <p>Continuation/completion of the implementation of the started and financing of new projects by the Enterprise for the Management of Environmental Protection Activities (EMEPA)/SB.</p> <p>Organization and starting of the implementation of projects within the NRRP: "Programme for construction/finishing/reconstruction of water supply and sewage systems, incl. waste water treatment plants for agglomerations between 2,000 and 10,000 p.e." and "Digitalization for complex management, control and efficient use of water", the implementation of which will continue in the period after 2023.</p> <p>Update of the four RBMPs for the period 2022-2027, incl. the programmemes of measures - completion of the activities carried out under the Agreement by the IBRD for</p>	2023	<p>OPE 2014-2020 BGN 1.873 billion</p> <p>EP 2021-2027 BGN 1.399 billion</p> <p>EMEPA/SB: BGN 110.3 million</p> <p>NRRP: BGN 412.6 million from the RRF and BGN 22.3 million national funding</p>	<p>Under OPE 2014-2020: Additional number of citizens with access to improved waste water treatment - 1,900,000 p.e. until 2023.</p> <p>Constructed/rehabilitated/reconstructed waste water treatment plants - 25 until 2023.</p> <p>Additional number of citizens with access to improved water supply - 1,800,000 until 2023.</p>

1	2	3	4	5	6	7	8	9
				<p>sediments and biota, as well as retrofitting of laboratories of the Executive Environment Agency (completed); improving the monitoring of drinking water quality; completion of the water quantity monitoring networks; improving the monitoring of the chemical state of groundwater (completed); preparing environmental assessments for the purposes of adopting the River Basin Management Plans (RBMPs) for the period 2016-2021 and the Marine Strategy and Programme of Measures (completed); update of the RBMPs 2022-2027; financial instruments in the "Water" sector (concluded loan agreements with the European Bank for the reconstruction and development of 5 WSS operators).</p> <p>Implemented with funds from the EMEPA/State Budget (SB): projects for small water supply facilities worth BGN 35.3 million; projects for sewers and wastewater treatment plants (WWTP) worth BGN 46.2 million. With funds received as repayment of old obligations from fees under the Waters Act, projects for water supply facilities worth BGN 19.2 million, sewage projects worth BGN 7.6 million and a WWTP project worth BGN 2 million are being implemented.</p> <p>With the funds of the EMEPA a contract was executed for the update of the Initial Assessment of the state of the marine environment, of the definitions of good state, of the environmental goals and related indicators, as the first part of the Maritime Strategy of the Republic of Bulgaria for the period 2022-2027 (funds used under the contract – BGN 280,737).</p>	RBMP projects for the four basin management regions, incl. conducting public consultations on them.			
	Financing of measures for decreasing the GHG emissions and adaptation to climate changes.	Financial support for projects to reduce greenhouse gas emissions within the Climate Investment Programme (CIP) with the sub-programme "Energy Efficiency for Municipal Schools and Kindergartens" (EEMSK), the "Climate Micro-Projects" Programme (CMPP) and the "Mineral waters" Investment Programme (MWIP) of the NTEF.	2015	<p>The following results were achieved under the CIP:</p> <p>Energy Efficiency (EE) Scheme</p> <p>Up to now measures to decrease energy use are implemented on 117 sites including: 41 schools. 22 daycares and kindergartens, 16 administrative buildings, 9 community centers, 6 public buildings, 6 universities, 7</p>	<p>Assessment of project proposals under CIP, EEMSK and CMPP, concluding contracts and implementation.</p> <p>Implementation of projects under OPE 2014-2020.</p> <p>Finishing the activities for the drafts Flood Risk Management Plans (FRMPs) 2022-2027.</p>	2023	<p>Under OPE 2014-2020: BGN 138 million</p> <p>Under EP 2021-2027</p>	Saved GHG from supported projects addressing the mitigation of unfavorable climate changes: 860 000 tCO ₂ eq up to 2023.

1	2	3	4	5	6	7	8	9
		<p>Financial support for projects to decrease the GHG emissions and to adapt to climate changes under the EPCCP of the EEA FM 2014-2021.</p> <p>Developing projects for Flood Risks Management Plans (FRMP) 2022-2027 for the four basin management regions (provided AG under OPE 2014-2020 amounting to BGN 13.2 million)</p>		<p>health services, 4 street lights and 6 municipal hospitals/clinics.</p> <p>Electric Cars Scheme</p> <p>74 vehicles are bought up to now.</p> <p>Two types of small projects are being financed under the CMPP supporting the mitigation of unfavorable climate changes and adaptation to them:</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>b) "Soft" projects - activities related to mitigation and adaptation to climate change and consisting in the development of strategies/programmes/reports/analyses.</p> <p>Up to now 17 projects are realized including: 9 projects for construction of small infrastructure and 8 "soft" projects.</p> <p>9 projects have been successfully completed under the Pilot Scheme of the MWIP with achieved specific results: over 15 km of constructed or restored water pipelines; 6 built or reconstructed pumping stations; 5 built or reconstructed collection tanks for mineral water; 1 sanitary-security zone belt A.</p> <p>An agreement has been signed with the Federal Republic of Germany for the sale of the surplus of Annual Emissions Allocations (AEAs) until 2022. The revenues for Bulgaria amount to EUR 3.8 million and will be used for EE and energy saving projects in municipal schools and kindergartens through NTEF under the EEMSK sub-programme (announced call for projects until June 30, 2023).</p> <p>Reporting of the approved in 2022 maps of the threat and risk of floods in the European Waters Information System.</p> <p>Developed information system for managing the risk of floods for access to different competent bodies.</p>	<p>Making public consultations for the projects of the FRMPs for the 4 regions of basin management.</p> <p>Finalizing the FRMPs and taking actions in relation to their adoption by the CM.</p> <p>Preparation and announcement of EP 2021-2027 procedures to promote climate change adaptation, disaster risk prevention and resilience, taking into account ecosystem approaches: ensuring the land capacity to fight forest fires and preparing the population for response; completion of the system for early warning and notification of the population at the regional level; risk analysis, monitoring and implementation of prevention and protection measures in adverse geodynamic processes - landslides, collapses, erosions, abrasions.</p> <p>Implementation of projects under EPCCP of the EEA FM 2014-2021.</p>		<p>BGN 441.3 million</p> <p>Under CIP: BGN 8.29 million from the NTEF. Under CMMP: BGN 0.8 million from the NTEF.</p> <p>EPCCP of the EEA FM 2014-2021: BGN 12.6 million</p>	

1	2	3	4	5	6	7	8	9
				<p>Under OPE 2014-2020 projects are realized for measures related to the adaptation to climate changes and risk prevention: creation of a water management system in the Iskar river basin, as the first phase of a National Water Management System in real time (AG 6.96 million BGN); centers for increasing the preparedness of the population for response to floods (AG 37.7 million BGN) – completed; integration, upgrading and optimization of the processes of prevention, preparedness and response to natural risks (AG BGN 20 million) - one project, in implementation; measures to introduce solutions for prevention and management of flood risk (AG BGN 2.04 million) - 3 projects, now completed; preventing and counteracting landslide processes for limiting the risk of such (incl. on the road network of the country) (AG BGN 50 million) - 10 projects, of which 6 completed.</p> <p>Predefined project under EPCCP of the EEA FM 2014-2021 is being implemented: “Applying innovative measures to mitigate and adapt to climate changes in Bulgarian municipalities” with beneficiary - NTEF with value BGN 5.5 million. (AG). Partners under the project are the eight large municipalities in the Republic of Bulgaria (Capital City Municipality, Plovdiv, Varna, Burgas, Stara Zagora, Ruse, Kardzhali, Sliven). The following has been done up to now:</p> <p>Trainings and training road trips for the eight partner municipalities;</p> <p>Completed review of strategic documents for urban planning and measures taken to remove identified gaps;</p> <p>Identified and chosen innovative investment measures (urban development projects) in the eight partner municipalities;</p> <p>Prepared Terms of Reference for the innovative projects;</p> <p>Started process to choose contractors of the innovative investment measures.</p> <p>Also under EPCCP of the EEA FM 2014-2021 2 contracts have been concluded and</p>				

1	2	3	4	5	6	7	8	9
				are being implemented under the call for a small grant scheme No 4 "Climate" with value BGN 544.5 thousand (AG) - for informational and educational activities targeting adolescents; 8 contracts under open call No 3 "Climate" with value BGN 6.53 million (AG) - for development and application of measures for mitigation and adaptation to climate changes by the municipalities.				
	Protection, maintenance and recovery of ecosystems and their inherent biodiversity.	Investment and legislative activities directed to effective protection of natural habitats and species of European and national importance in the National Eco Network and beyond it.	2015	<p>Under OPE 2014-2020 in Priority Axis 3 "Natura 2000 and biodiversity" as of now 102 ACGA have been concluded with a total value of the AG almost BGN 202 billion.</p> <p>The projects include:</p> <p>Analyses and studies of species and natural habitats subject to reporting under Art. 17 of the Habitats Directive and Art. 12 of the Birds Directive (completed);</p> <p>Knowledge on Natura 2000;</p> <p>Natura 2000 in the Black Sea;</p> <p>Management approach for the Natura 2000 network (completed).</p> <p>Improvement of the nature protection 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 (7 projects have been completed and 7 are in progress);</p> <p>Shared vision for eco network Natura 2000 in Bulgaria (19 projects are completed and 1 is being implemented);</p> <p>Preparing/updating the Action Plans on species (6 projects are completed and 16 are being implemented);</p> <p>Implementation of priority measures in wetlands (4 projects are being implemented);</p> <p>Measures for improving the conservation status of birds (3 projects are completed and 7 are being implemented);</p> <p>Improving the conservation status of natural habitats (1 project is completed and 5 are being implemented);</p>	<p>Implementation of projects under concluded ACGA for OPE 2014-2020.</p> <p>Preparation and announcement of procedures under EP 2021-2027 for: implementation of measure 4 of the NPAF - supporting the implementation of the reform under the NRRP to create management bodies for the protected areas of the Natura 2000 network by functionally ensuring the management bodies of the protected areas (PAs) under Natura 2000; implementation of measures 54, 55 and 56 of the NPAF - identification and removal of atypical tree and shrub species in territories with the spread of habitats and in the immediate vicinity of them (up to 200 m), restoration of typical species and removal of invasive foreign species, construction and maintenance of public access facilities; placement of information signs, "caution" boards, etc.; implementation of measures 28 and 61 of the NPAF - placement of information signs; construction of fences made of natural materials or installation of electric shepherds in order to limit the access of animals to 50 m from the coast of wetlands, etc.; implementation of measures 46, 47, 48 and 49 of the NPAF - demonstration and introduction of forestry practices for sustainable management of the forests of the habitat, for maintaining the composition of the plantations, trainings, application of forestry practices (including breeding activities), etc.</p> <p>Adoption of the LAS of the Biodiversity Act regarding the introduction of an approach for</p>	2023	<p>OPE 2014-2020 BGN 135.5 million</p> <p>EP 2021-2027 BGN 259.1 million</p> <p>NRRP: BGN 93 million from the RRF and BGN 11.5 million national funding.</p> <p>EPCCP of the EEA FM 2014-2021: BGN 3.5 million</p> <p>EMEPA: BGN 1.1 million</p>	Area of habitats supported to achieve better conservation status - 1,565,668 ha by 2023.

1	2	3	4	5	6	7	8	9
				<p>Improvement of the conservation status of species in the Natura 2000 network by means of the CLLD approach in the territory of local initiative groups (11 projects are being implemented).</p> <p>Two new procedures under OPE 2014-2020 are announced in 2022:</p> <p>Improving the environmental protection status of forest natural habitats and supporting the ecosystem services provided by forests through the application of forestry practices and afforestation (6 projects are in progress);</p> <p>Improving the conservation status of steppe natural habitats through land purchase (1 project is in progress).</p> <p>7 projects are being implemented with funding by the EMEPA with a total value of BGN 1.1 million.</p> <p>A redefined project under the EPCCP of the EEA FM 2014- 2021 has been started "Valuation and integration of ecosystem services".</p> <p>The process of issuing orders for the declaration of protected areas for habitats continues, and orders for the declaration of the last 44 protected areas for habitats remain to be issued. A total of 189 orders have been issued. Specific and detailed nature protection goals for 43 protected areas have been defined. For 39 of them, for which, at the time of determining the specific and detailed objectives of conservation, orders for announcement have been issued in accordance with Art. 12 of the Biodiversity Law (BDL), orders were issued to amend and supplement the orders for their announcement, through which the relevant specific and detailed conservation objectives are introduced. For the other 4 protected areas the specific and detailed goals for protection were introduced in the draft orders for their declaration. After public consultations held specific and detailed nature protection goals are being finalized for another 43 protected areas.</p>	<p>management of the protected areas in the Natura 2000 network.</p> <p>Adoption of specific and detailed nature protection goals and measures for their protection for another 43 protected areas and issuance of orders to amend and supplement the orders for their announcement, through which the corresponding specific and detailed protection goals are introduced.</p> <p>In 2023, the development of specific and detailed nature protection goals and measures for their protection continues for all remaining protected areas.</p> <p>Issuing of orders for declaring 44 protected areas for habitats.</p> <p>Implementation of two projects within the NRRP:</p> <p>Integration of the ecosystem approach and application of solutions based on nature for the protection of protected areas in the Natura 2000 network;</p> <p>Restoration of key climate ecosystems in implementation of the EU Biodiversity Strategy and the objectives of the European Green Deal.</p> <p>Adoption of the Strategy for Biological Diversity in the Republic of Bulgaria and the National Plan for Conservation and Sustainable Use of Biological Diversity and Genetic Resources 2020-2024. Development of a National Strategy for Medicinal Plants.</p> <p>Continuing the implementation of the measures included in the current National Action Plans for protection of endangered species. Approval of 16 new Action Plans for protection of endangered species.</p> <p>Development of support measure: Infrastructure for visitors and sustainable use of national parks ("ProPark") under the Framework Agreement between Bulgaria and Switzerland regarding the implementation of the Second Swiss Contribution to selected EU member states, to reduce economic and social disparities in the EU.</p>			

1	2	3	4	5	6	7	8	9
				Approved National Priority Actions Framework (NPAF) for Natura 2000 for 2021-2027.				
	Reduction of pollutant levels and reaching established standards in areas with impaired air quality.	Investments in activities for the implementation of the National Programme for the Improvement of Atmospheric Air Quality 2018-2024, the National Programme for the Control of Air Pollution (2020-2030) and municipal programmes for AAQ, with the aim of reducing the total emissions of certain pollutants and achieving and maintaining the levels of controlled atmospheric pollutants corresponding to the norms laid down in the national legislation.	2015	<p>Under OPE 2014-2020 as of now 42 ACGA have been concluded with a total value of the AG BGN 627.4 billion.</p> <p>The projects include:</p> <p>Development/update of municipal programmes for AAQ (20 projects completed, 1 project implementation continues);</p> <p>Measures of the municipalities to improve AAQ directed towards household heating (8 projects in implementation);</p> <p>Measures of the municipalities to address transport as a source of atmospheric air pollution (2 projects completed and 10 in progress);</p> <p>Creation of an information system for reporting atmospheric air quality data as part of the National System for real-time monitoring of AAQ (the project is completed).</p>	<p>Implementation of projects under concluded ACGA for OPE 2014-2020.</p> <p>Preparation and announcement of procedures under EP 2021-2027:</p> <p>“For cleaner air!” and “For cleaner air! (2)“: replacement of solid fuel heating appliances with ecological alternatives; dismantling and delivery of the dismantled old heating devices for subsequent treatment in accordance with Art. 39, para. 3 of the Waste Management Act, etc.;</p> <p>Green infrastructure in urban environment and Green infrastructure in urban environment (2): creation/expansion/renovation of green areas in municipalities with impaired atmospheric air quality through investments in plant species with the highest degree of efficiency in terms of capturing FPM and purifying the air naturally;</p> <p>Creation of a National Expert Network on Atmospheric Air Quality: exchange of knowledge, experience and good practices between municipalities; providing possible solutions when problems arise; information and training activities and capacity building, etc.;</p> <p>Improving the monitoring of ambient air quality at the national level: investments in replacing equipment with modern alternatives; modernization and upgrading of the control and dynamic monitoring in the part of automatic measuring stations for AAQ; including the information system for reporting AAQ data.</p> <p>Starting a procedure for financing measures for AAQ improvement rough EMEPA. The procedure must be aimed at financing measures in implementation of the National Programme for Improving Air Quality 2018-2024 and the National Programme for Air Pollution Control (2020-2030) and contain objective criteria and application conditions, in connection with provision of AAQ.</p>	2023	<p>OPE 2014-2020 BGN 577 million</p> <p>EP 2021-2027 BGN 773.5 million</p> <p>EMEPA: BGN 40 million</p>	<p>1. Population covered by the measures for decreasing the quantities of PM10 and Nox (under OPE 2014-2020) - 3,000,000 citizens until 2023.</p> <p>2. Decreasing the emissions of pollutants for each year compared to 2005: SO2 – 78%; NOx – 41% ; NMVOC – 21%; NH3 – 3%; FPM2.5 – 20%.</p>

1	2	3	4	5	6	7	8	9
					<p>Update of the measures under the National Air Pollution Control Programme (2020-2030) - a procedure is planned to be announced under the EP 2021-2027; "National Strategic Documents in the Air Sector"</p> <p>Development of a support measure "Improving air quality through a modernized and recognized national air quality measurement system and scientific partnerships ("ModAIRn") under the framework agreement between Bulgaria and Switzerland on the implementation of the Second Swiss Contribution to selected EU member states, to reduce economic and social differences in the EU.</p>			
	A package of investments to fulfill the goals of RE-PowerEU including in the NRRP	Prepared investment projects in the field of the developed electricity transmission network for accelerated implementation of renewable energy sources, developed "future-ready" gas transmission network, including capacity increase to support diversification of sources and delivery routes incl. for the Region, buildings with close to zero consumption and in connection with a reform for the National Decarbonisation Fund	April 2023	In negotiation with the EC	Decision for approval of amendment of the NRRP	June 2026 (in case of decision)	<p>Accelerated introduction of RES</p> <p>Diversification of natural gas deliveries</p> <p>Ready infrastructure for green hydrogen transfer</p> <p>Guaranteed and secure delivery of energy to consumers</p> <p>Support for accelerated achievement of the common energy and climate goals</p> <p>EUR 48 million Recovery and Resilience Facility</p>	<p>km future-ready gas infrastructure - 100 km</p> <p>km reconstructed powerlines 110 kV - 888 km.</p> <p>Reconstruction of powerline Hemus-Stara Plalina from 220 kV to 400 kV</p> <p>30 public buildings with close to zero consumption</p>
Provision of support for enterprises regarding	Provision of support to enterprises under the CIPE programme 2021-2027	Providing support to enterprises through shared management funds to increase the level of digitalization and introduce elements of the circular economy in enterprises.	2022	Approved CIPEP by the EC; Signed financial agreement for implementation of the financial instrument with the	Structuring and implementing the measures for support	2029	BGN 1.267 million (European Regional Development Fund)	Small and Medium Enterprises (SMEs) introducing technology

1	2	3	4	5	6	7	8	9
digital transition				Fund Manager of Financial Instruments in Bulgaria (FMFIB)			(ERDF) and national co-funding)	from the Industry 4.0 - 429; SMEs introducing principles of the circular economy - 967;
Provision of support for enterprises regarding digital transition	Provision of support to enterprises under the Economic Transformation Programme of the NRRP	Providing support to enterprises through NRRP to increase the level of digitalization and introduce elements of the circular economy in enterprises.	2022	Announced procedure BG-RRP-3.005 "Solutions in the field of information and communication technologies and cyber security in SMEs" and an approved list of supported enterprises; Procedure BG-RRP-3.008 "Support for the transition to a circular economy in enterprises" announced for public discussion	Announcement of procedure BG-RRP-3.008 "Support for the transition to a circular economy in enterprises", evaluation and conclusion of contracts with the approved candidates; Conclusion of contracts and implementation of the approved projects under procedure BG-RRP-3.005 "Solutions in the field of information and communication technologies and cyber security in SMEs"	2026	BGN 210 million	Supported 240 enterprises from the processing industry, which introduced elements of the circular economy in their activities; Supported 1492 enterprises, which achieved first or second level of digitalization.
Increasing the resource efficiency and decreasing carbon emissions	Investments in sustainable urban mobility	implementation of investments under RDP for sustainable urban mobility	2023	RDP 2021-2027 is officially approved by the European Commission with Resolution No C(2022) 9743 final from December 16, 2022	Development and publication of Guidelines for applying for the implementation of investments for sustainable urban mobility	2029	Decrease of carbon emissions through investments in sustainable urban mobility BGN 522 million	Target values 2029: Capacity of environmentally friendly rolling stock for collective public transport - 11,140 passenger Infrastructure for alternative fuels (points for fueling/charging) - 397 Annual number of users of new or modernized public transport - 40,905



Country Specific Recommendation 2

Proceed with the implementation of its Recovery and Resilience Plan, in line with the milestones and targets included in the Council Implementation Decision of 4 May 2022. Submit the 2021-2027 cohesion policy programming documents with a view to finalising their negotiations with the Commission and subsequently starting their implementation.

Policy Response

The NRRP developed by the country includes a wide range of mutually reinforcing reforms and investments that contribute to effectively addressing a number of economic and social challenges, in particular in education and skills, research, smart industry, digital and transport connectivity, health, the digital and energy transition and the business environment.

The NRRP implementation continues. In December 2022, the first payment was made, and efforts are currently focused on the implementation of the reforms and investments included in the second and third payments. In parallel, work is being done on the preparation of a substantiated request to the European Commission with a proposal to amend the NRRP in the Energy part in connection with the Resolution of the 48th National Assembly of January 12, 2023, concerning section 2.B. Green Bulgaria, 2.B.1. Low-carbon economy of the RRP, as well as the inclusion of a new REPowerEU chapter in the RRP according to the amendments to Regulation (EU) 2021/241 approved at the end of February 2023. At the moment, the planned period for the amendment cannot be specified with precision.

Decision of the EC from July 6, 2022 approved the Agreement for partnership with the Republic of Bulgaria. The Partnership Agreement covers support from the ERDF, the Cohesion Fund, the European Social Fund Plus (ESF+), the Just Transition Fund (JTF) and the European Maritime, Fisheries and Aquaculture Fund (EMFAF), as well as the financial rules for them and for Asylum, Migration and Integration Fund, Internal Security Fund and the Instrument for Financial Support for Border Management and Visa Policy, and in particular Article 12(4) thereof, in Bulgaria for the period from 1 January 2021 to 31 December 2027. The document covers programmes under the five policy objectives and all have been approved by the EC by the end of the month of December 2022 as follows:

The Human Resources Development Programme was approved by a Decision of the EC from August 1, 2022. The budget of the programme amounts to BGN 3.2 billion of European funding from the ESF+. The national co-funding amounts to BGN 623 million.

The Education Programme was approved with EC Decision of August 8, 2022. The European financing amounts to BGN 1.5 billion from the ESF+. The national co-funding amounts to BGN 348 million.

The Food and/or Basic Material Assistance Programme was approved with EC Decision of August 8, 2022 with budget of BGN 370.5 million European financing from the ESF+. The national co-funding amounts to BGN 41 million.

The Competitiveness and Innovations in Enterprises Programme was approved with EC Decision of October 3, 2022. The European financing amounts to BGN 2.4 billion from the ERDF. The national co-funding amounts to BGN 531 million.

The Transport Connectivity programme was approved with EC Decision of October 3, 2022. It will implement investments in the country's transport infrastructure under the TEN-T, with funding under the programme amounting to BGN 3.160 billion from the Cohesion Fund and ERDF, and the national co-financing is BGN 558 million.

The Environment Programme was approved with EC Decision of October 7, 2022. The European financing amounts to BGN 2.995 billion from the Cohesion Fund and ERDF. The planned national co-funding amounts to BGN 570.3 million.

The Technical Assistance Programme was approved with EC Decision of October 5, 2002. The European financing from the ERDF amounts to BGN 196 million, the national co-funding amounts to BGN 41.5 million.

The Research, Innovation and Digitization for Smart Transformation Programme was approved with EC Decision of December 5, 2022. The EU financial contribution through the ERDF amounts to BGN 1.73 billion. The national co-funding amounts to BGN 407 million.

The Regional Development Programme was approved with EC Decision of December 16, 2022. The EU financial contribution through the ERDF amounts to BGN 2.98 billion. The national co-funding amounts to BGN 630.6 million.

The Maritime, Fisheries and Aquaculture Programme (MFAP) was approved by the EC on November 23, 2022 with a budget of BGN 168 million from the EMFAF. The national co-funding amounts to BGN 70.2 million.

The Internal Security 2021-2027, the Instrument for Financial Support for Border Management and Visa Policy 2021-2027 and the Asylum, Migration and Integration Programme 2021-2027 were approved by the EC in November 2022 with the following financial resource: Asylum, Migration and Integration Fund - EUR 37,469,440 (EUR 28,505,459); Internal Security Fund - EUR 58,621,250 (EUR 44,619,878) and Financial Support Instrument for Border Management and Visa Policy - EUR 159,490,671 (EUR 121,501,046).

Country Specific Recommendation 3

Reduce overall reliance on fossil fuels and fossil fuel imports by accelerating the development of renewables, and diversify gas supply sources and routes by increasing interconnections with neighboring countries. Step up efforts to reduce energy demand by increasing energy efficiency in industry and in private and public building stock. Promote new sustainable solutions in central district heating.

Policy Summary

Given its geographical location, Bulgaria is at the entrance to the expected increased flows of LNG and pipeline gas from alternative sources, the immediate goal of which is the security of natural gas supplies for the region and the European Union.

Bulgaria has taken a number of measures for the diversification of sources and routes for the supply of natural gas. As of November 1, 2022, the "Chiren" UGS is 92% full in compliance with European requirements. Also, in order to increase intersystem connectivity, the intersystem gas connection Greece - Bulgaria (IGB) was put into operation from October 1, 2022. This contributes to reducing dependence on natural gas imports from Russia in Bulgaria and the South-East Europe region, enabling increased flows from TAP and LNG terminals in Greece. On February 1, 2023, the construction activities for the construction of the intersystem gas connection Bulgaria-Serbia (IBS) started.

Bulgartransgaz EAD is a shareholder with a 20% stake in the construction of the liquefied natural gas (LNG) terminal near Alexandroupolis, Greece. The construction of the liquefied natural gas terminal aims to provide new quantities of gas to supply the Greek and regional markets in South-Eastern Europe, while contributing to the diversification of gas supply sources and routes, promoting competition for the benefit of end customers, as well as increasing security of supply. Among the potential sources of supply are countries producing liquefied natural gas, such as Algeria, Qatar, the United States, etc.

The undisputed long-term solution to achieving security, independence and sustainability of energy supply is renewable energy sources (RES) and energy saving.

The ambitious goals of the Green Deal for the gradual decarbonisation of the energy sector in the time horizons of 2030 and 2050, as well as their projection in Bulgaria's NRRP, imply significant additional efforts to increase the already exceeded 16% share of energy from renewable sources in 2021 in gross final energy consumption. Against this background, the continued large-scale deployment of renewable sources, which, due to their inherently erratic generation, create increasingly complex and tangible challenges to the security of the electric power system (EES), requires an increase in the adaptability of the operational management of the

EES to ensure the necessary maneuverability, security and speed during its management. The increasing percentage of RES in the country's internal mix inevitably means that they will gradually have a stronger impact on energy security and, accordingly, they will be relied on more and more to ensure it.

At the same time, renewable energy sources participating in Bulgaria's energy mix are currently unable to fully participate in balancing the electricity system, covering peak loads and providing market-based flexibility and additional services. On the other hand, it is necessary to guarantee the security of electricity supply in connection with the "green transition".

The housing sector in Bulgaria is characterized by a high energy intensity. According to an analysis of the national residential housing fund of the Republic of Bulgaria, as of 2020, only 7% of inhabited residential buildings (built after 2010 or existing renovated) are in accordance with the 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, while buildings with the highest energy consumption (class G) represent 18%. In the long-term national strategy adopted in 2021 by the Council of Ministers to support the renewal of the national building stock of residential and non-residential buildings only until 2050, developed in connection with Directive 2018/844 of the European Parliament and of the Council, the necessary investments until 2030 are estimated at almost BGN 4 billion.

National Report on Bulgaria for 2022 and/or Joint Employment Report for 2022

Findings	Policy Response
<p>According to the National Report on Bulgaria 2022, the country is currently over-reliant on fossil fuels and energy is not being used efficiently, creating a number of sustainability challenges.</p> <p>It is established that the country's production is the most energy-intensive and with the highest intensity of greenhouse gas emissions in the European Union (EU). There is still great potential for energy savings and carbon reduction, which can be deployed through targeted measures to increase the share of renewable energy sources in energy consumption, as well as through sustainable renovation of the building stock.</p> <p>According to the latest national projections, there is a risk that Bulgaria will not be able to meet its 2030 target for emissions from sectors outside the EU emissions trading scheme</p>	<p>In response to recommendations to increase investments for sustainable energy renovation of the building stock, the 2021-2027 RDP will provide over 3% of the total required resource for renovation of public and residential buildings and energy efficiency investments in the country. The sustainable and effective renovation of the buildings, in combination with the condition of achieving a high energy class, contributes directly to the reduction of losses from the distributed and heat transmission networks, and the planned investments in buildings with energy consumption close to zero will also contribute to increasing the total share of energy for heating and cooling from renewable energy sources.</p> <p>In the period 2021-2027, the RDP will finance sustainable renovation of residential and public building stock, including student and school dormitories, supporting the implementation of all types of energy efficiency measures in buildings, incl. structural and seismic strengthening, heating and air conditioning systems, integrated on-site renewable energy installations, electric vehicle charging equipment, digitalization of buildings and more.</p> <p>In the sub-measure "Support for sustainable energy renovation of the residential building stock" of the NRRP, the introduction of a model of providing financial assistance with decreasing intensity for the renovation of multi-family residential buildings in condominium mode, divided into two stages of application, is foreseen. For stage 1, upon application - submission of a "proposal for the implementation of the investment" by May 31, 2023, 100% AG is provided for all eligible activities. For stage 2, the application period is from April 2023 to December 2023, with 80% of the AG provided for the renewal activities and 20% self-participation of the associations.</p> <p>The implementation of measures to increase energy efficiency in the non-residential building stock (described in item 3.1.3) is a response to this recommendation.</p> <p>Measures to provide support for business in the field of energy efficiency and reduction of greenhouse gas emissions are also foreseen.</p>

Table 2-2: Measures addressing CSR 3, part of Appendix 1

Policy Field	Name of the Measure	Information regarding the Planned and Taken Measures					Expected Effect including Budgetary	Indexes for Effect with Current and Target Value
		Short Description of the Measure	Start Date	Current Status (As of April 2023)	Upcoming Stages in the Implementation of the Measure until its End Date for Execution (after April 2023)	End Date		
1	2	3	4	5	6	7	9	10
Infrastructure for storage of electrical energy from renewable sources	National infrastructure for the storage of electrical energy from RES	Sub-project 1 - purchase, installation and commissioning of electrical energy storage facilities by legal persons. Sub-project 2 - purchase, installation and commissioning of electrical energy storage facilities by natural persons.	2023	Edited form for investment "National Infrastructure for storage of electricity from renewable sources" (RESTORE) under the NRRP	Negotiations with the EC for approval	June 2026	Created technical conditions for the full participation of RES in the energy and balancing market and achieving the national goal for the share of electricity from renewable sources in the final gross energy consumption.	Provision of additional technical conditions to increase the operational security and availability of the EES in the context of Regulation (EU) 2016/631 establishing a Network Code for the requirements for the connection of electricity producers to the electricity network.
Use of geothermal energy for heating or for heating and cooling	Use of geothermal energy as RES	Study of a renewable source - geothermal energy, and conditions for efficient future utilization of its heat production potential through innovative systems providing clean energy for the home, industry, agriculture, balneology and tourism.	2022	Updated project form for investment under the NRRP	Negotiations with the EC for approval	June 2026	Introduced contemporary technologies for production of heating and cooling from geothermal energy	Saved emissions per year: over 81,200 tons CO2 saved for 1 year by the energy produced from heat.
Provision of efficient support for the SMEs in the field of energy efficiency	Procedure BG16RFOP002-6.002 "Restoration of SMEs by improving energy efficiency", announced under the Operational Programme "Innovations and Competitiveness" 2014-2020	Provision of investment funds in the field of energy efficiency for Bulgarian SMEs to deal with the consequences of the COVID-19 pandemic.	2022	Execution of contracts under the procedure "Restoration of SMEs by improving energy efficiency": as of January 31, 2023, 836 contracts are concluded with a total amount of AG BGN 84.64 million. Currently the projects are being implemented and 28 have already been completed.	Completing the implementation and reporting the contracts. Making final payments.	December 2023	BGN 84.64 million	Number of supported enterprises for recovery by improving their energy efficiency – 818; Value achieved to date: 28 (completed projects)

1	2	3	4	5	6	7	9	10
	Promotion of energy efficiency and reduction of greenhouse gas emissions under the CIPEP	Increasing energy efficiency and introducing RS in enterprises under the 2021-2027 CIPEP	2023	Concluded agreement with FMFIB for implementation of financial mechanisms under CIPEP.	Structuring of the financial mechanism and choosing financial mediators.	December 2029	BGN 270.02 million	Enterprises having introduced energy efficient technologies and RS - 182;
	Decarbonisation through investments in RE and energy efficiency in enterprises under NRRP	Increasing energy efficiency and introducing RS and storage technologies in enterprises under the NRRP	2022	Announced procedure BG-RRP-3.006 "Construction of new RES for own consumption in combination with local facilities for energy storage in enterprises"; Signed financial agreement with EC for implementation of the EE and RS financial mechanism		2026	BGN 346.68 million	54,096 KW installed operational capacity for energy storage by RS; Supported at least 450 enterprises under the guarantee facility for EE and RE
Increasing energy efficiency	Improving energy efficiency of the building stock	Implementation of RDP measures to increase the energy efficiency of residential and public buildings, including student and pupil dormitories	2023	Regional Development Programme 2021-2027 is officially approved by the European Commission with Resolution No C(2022) 9743 final from December 16, 2022	Development and publication of Guidelines for applying for the implementation of energy efficiency measures and sustainable renovation of the building stock	2029	Improved energy specifications of the public and residential building stock BGN 406 million	Number of residential buildings with improved energy specifications - 3,731 Public buildings with improved energy specifications (sq.m) - 178,666 Annual primary energy consumption (by residences, public buildings, enterprises and others) - 111,961.00 MWh/r. Expected GHG emissions - 26,023.00 tons equivalent to CO2/year

1	2	3	4	5	6	7	9	10
Increasing energy efficiency	Improving energy efficiency of the building stock	Implementation of RDP measures to increase the energy efficiency of residential and public buildings, including student and student dormitories	2023	Regional Development Programme 2021-2027 is officially approved by the EC with Resolution No C(2022) 9743 final from December 16, 2022	Development and publication of Guidelines for applying for the implementation of energy efficiency measures and sustainable renovation of the building stock	2029	Improved energy specifications of the public and residential building stock BGN 406 million	Number of residential buildings with improved energy specifications - 3,731 Public buildings with improved energy specifications (sq.m) - 178,666 Annual primary energy consumption (by residences, public buildings, enterprises and others) - 111,961.00 MWh/r. Expected GHG emissions - 26,023.00 tons equivalent to CO2/year

3 Progress in implementing major reforms and investments from RRP and prospects for the next year

Information on the progress in the implementation of key milestones and targets for reforms and investments from the NRRP and perspectives is published on the EC's FENIX platform as part of the bi-annual reporting.

4 Progress regarding the UN Sustainable Development Goals (SDGs)

Table 4-1: Progress in the implementation of national targets within the framework of the UN Sustainable Development Goals

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Eradication of poverty	<p>The 2021-2027 RDP will continue to build on what was achieved in the previous years in the field of social activities 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>Development of an Action Plan for the period 2023-2024 for the implementation of the National Strategy for Poverty Reduction and Promotion of Social Inclusion 2030;</p> <p>The Human Resources Development Programme 2021-2027 envisages financing in response to challenges in the field of social inclusion and the fight against poverty through support to ensure long-term care, equal access to quality social services and support for a full life in the community, individualization of support of vulnerable persons, promotion of active participation in public life of every disadvantaged person, support for access to the labor market, etc.</p>	<p>Spatial inclusion of marginalized groups in society, preventing segregation, isolation and exclusion and ensuring equal access to basic services for all.</p> <p>Improving the quality of life and promoting the social inclusion of vulnerable groups through:</p> <ul style="list-style-type: none"> Sustainable labor market integration of inactive and unemployed persons, incl. long-term unemployed; Ensuring equal access to quality preschool and school education; Ensuring equal and efficient access to quality healthcare; Providing affordable and quality social and integrated services and integrated support; providing efficient and targeted financial and material support to those in need; Providing accessible environment - physical, architectural, institutional, informational and accessibility to transport and transport services; Improving living conditions of vulnerable groups and supporting the homeless; Work in partnership and application of innovative approaches for holding integrated policies for social inclusion and social innovations; Contribution to the implementation of the National Goal of Bulgaria to reduce the number of persons at risk of poverty or social exclusion by 787,000 people by 2030 and the specific sub-goal to reduce the number of children under 18 at risk of poverty or social exclusion by 196,750 persons.

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Ending famine	<p>In the period of implementation of the Strategic Plan for the Development of Agriculture and Rural Areas for the period 2023-2027, the implementation of measures related to:</p> <ul style="list-style-type: none"> - Support for agricultural holdings and investment in agricultural processing to improve the productivity and incomes of farmers and processors and meet public food needs, including high-quality, safe and nutritious food produced in a sustainable manner; reducing 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 for a more complete use of the capacity of enterprises and increasing the added value and efficiency of enterprises from the food industry. - Starting agricultural activities by young farmers and providing generation renewal. - Investments in irrigation infrastructure in agricultural holdings to reduce the negative consequences of the manifestation of natural-climatic risks, increase yields from agricultural crops and promote sustainable development and efficient management of natural resources. - Promote and support schemes for quality, organic production and cooperation for short supply chains and local markets, with the aim of producing high quality, safe and nutritious food produced in a sustainable way, as well as restructuring and modernizing, including improving the resource efficiency of agricultural farms to ensure food security, increase productivity and income in the agricultural sector. - Implementation of climate change-resistant agricultural practices aimed at improving the management of water resources in agricultural holdings and increasing productivity and volume of production. - Improving the organization of the supply chain and increasing the number of farmers engaged in organic production, as well as farmers participating in producer groups or organizations, local markets, improving the position of farmers in the value chain. <p>2) According to MFAP 2021–2027, measures are foreseen at the national and regional level for the construction/modernization of aquaculture farms and enterprises for the processing of fish products and for opportunities to diversify the activity and create new forms of income and activity.</p>	<p>Restructuring and modernization, including improving the resource efficiency of agricultural holdings to ensure food security, increase productivity and income in the agricultural sector.</p> <p>Starting agricultural activities by young farmers and providing generation renewal.</p> <p>Implementation of climate change-resistant agricultural practices aimed at improving the management of water resources in agricultural holdings and increasing productivity and volume of production. Improving the organization of the supply chain and increasing the number of farmers engaged in organic production, as well as farmers participating in producer groups or organizations, local markets, short delivery chains and quality schemes.</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Good health	<p>1) To strengthen the sustainability, accessibility and capacity of the healthcare system, actions have been taken to ensure equal access to safe, quality and effective medicinal products.</p> <p>Targeted support in healthcare infrastructure to provide integrated health and social care in the community, to vulnerable groups, the elderly and people with disabilities.</p> <p>The 2021-2027 OPHRD will support measures to stimulate the professional mobility of doctors and medical/health professionals, which will be supported to open primary care clinics or health care clinics in hard-to-reach and remote areas, as well as by providing doctors and medical specialists in basic types of specialized medical care (such as internal medicine, pediatrics, obstetrics and gynecology, surgery and neurological diseases) in primary and specialized outpatient medical care or in hospital care outside regional cities where there is a shortage of certain specialists.</p> <p>In order to overcome the shortage of specialists in certain specialties or geographical areas, the 2021-2027 OPHRD provides for the provision of incentives for the training of doctors and nurses - specialists, in specific specialties with insufficient staff available, as well as stimulating their training in regions of the country where there is a shortage in the relevant specialties.</p> <p>The 2021–2027 OPHRD will also finance short-term training to increase the knowledge and competences of a wide range of specialists and non-specialists from the emergency medical care system, psychiatric care, primary health care, for staff providing medical care for children and long-term health care for adults.</p> <p>The 2021–2027 OPHRD also envisages financing healthcare information campaigns aimed at maternal and child health, for immunizations and vaccinations, for socially significant diseases.</p>	<p>2) Increasing the productivity and income of small food producers from the Fisheries sector, including the women employed in it.</p> <p>Guaranteed therapy for Bulgarian patients with medicinal products used to treat COVID-19.</p> <p>Guaranteed treatment of Bulgarian citizens for diseases outside the scope of mandatory health insurance.</p> <p>Provided timely measures to control the shortage of medicinal products for which shortage signals have been received.</p> <p>Creating prerequisites for increasing life expectancy through a developed healthcare system that functions satisfactorily and provides equal access to health care.</p> <p>The more balanced geographical distribution of those employed in the field of health care</p> <p>Ensuring better access to health care by increasing the number of specialists in specialties with a shortage in the country and in certain areas, as well as by opening health clinics in hard-to-reach and remote areas of the country.</p> <p>Increasing the knowledge and competence of those working in the healthcare field.</p> <p>Better public health through better information.</p>
Quality education	<p>The planned support under the RDP 2021-2027 during the new programme period in the field of education is aimed at ensuring equal access to quality and modern education for every child and student, as well as at reducing the share of early</p>	<p>A unified system for monitoring and evaluating the quality of early childhood education and care was implemented and integrated services for the prevention of social exclusion were provided. Provided support for each child and student for active inclusion in</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
	school leavers, with a main focus on children and students from vulnerable groups, including Roma.	the preschool and school education system. Quality of education ensured through improved and modern educational environment and expansion of the use of digital devices in the system of school and preschool education, increased motivation for learning and introduction of new and modern technologies
Gender equality	The 2021–2027 OPHRD provides funding to support gender equality and achieve a balance between private and professional life, incl. through the provision of care services for children and elderly dependent family members, as tools to remove barriers to employment, especially among women.	Promoting employment, especially among women; Balance between personal and professional life; Providing alternative care to help parents
Clean water and sanitation	Introduction and implementation of an integrated approach to realize priority investments in WSS infrastructure (measure addressing CSR 1, part of Appendix 1)	1) Additional number of citizens with access to improved water supply - 1,800,000 until 2023. 2) Additional number of citizens with access to improved waste water treatment - 1,900,000 p.e. until 2023. 3) Constructed/rehabilitated/reconstructed waste water treatment plans - 25 until 2023.
Renewable energy	The RDP 2021-2027 will support energy efficiency in the building stock and the use of energy from renewable energy sources, supporting integrated on-site renewable energy installations, electric vehicle charging equipment, digitalization of buildings, green infrastructure, etc.	Improving the energy performance of the national building stock by applying sustainable integrated energy measures and sustainable use of renewable energy.
Secure jobs and economic growth	<p>The RDP 2021-2027 foresees the implementation of economic measures to build a strong and competitive economy of the Bulgarian regions.</p> <p>Ensuring employment of unemployed persons from vulnerable groups through the implementation of the National Employment Plan (NEP) in 2023.</p> <p>The 2021-2027 OPHRD provides measures to overcome challenges related to the labor market, employment, the quality of jobs and the suitability of enterprises and the workforce to changing requirements, skills and working conditions. The programme provides targeted support to unemployed and inactive persons to increase competences, skills and inclusion in employment, as well as to employed persons for new and improved skills and better professional realization and occupation of quality jobs. Enterprises receive support for adapting work processes and work organization, for ensuring a healthy working environment,</p>	<p>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.</p> <p>Increasing employment and reducing unemployment, through the implementation of programmes and measures for employment and training, financed with funds from the state budget, included in the NEP 2023 and with funds from the ESF+ through the 2021-2027 OPHRD.</p> <p>Improving skills and qualification of the employed, unemployed and inactive, in view of new employment opportunities and to better meet the demand of employers in the labor market.</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
	<p>as well as for increasing the skills and qualifications of the workforce.</p> <p>Young people get the opportunity to enter employment and gain professional experience, as well as new skills and qualifications.</p> <p>Strengthening the sustainable growth and competitiveness of SMEs under the 2021-2027 CIPEP through:</p> <ul style="list-style-type: none"> - Support for production investment in the enterprises; - Promotion of entrepreneurial activity; - Support for development of entrepreneur ecosystem, promotion of internationalization and attracting foreign investments; - support for the realization of viable investments aimed at the growth and competitiveness of SMEs established on the territory of industrial parks; 	<p>SMEs having increased their growth and competitiveness - 5,892;</p>
Innovations and infra-structure	<p>The RDP 2021-2027 includes measures to build industrial parks as an important tool for conducting a balanced economic and regional policy.</p> <p>Pursuant to the 2021-2027 CIPEP, targeted actions are foreseen to develop and strengthen the capacity for scientific research and innovation and the implementation of innovative technologies in enterprises. The abovementioned will be achieved through:</p> <ul style="list-style-type: none"> - Support for implementation of R&D activities internally at the enterprises as well as innovations; - Support for implementing innovations in enterprises; - Support through investments in risk capital to create new and develop innovative enterprises; - Support for claiming and protecting industrial property at the enterprises; <p>Measures related to increasing the share of innovative enterprises are also foreseen under the Economic Transformation Programme of the NRRP. The same will be realized through equity instruments for innovations.</p> <p>RIDSTP foresees measures for:</p> <ul style="list-style-type: none"> - Development and sustainability of Centers of Excellence (CEs) and Competence Centers (CCs), built under the Operational Programme "Science and Education for Smart Growth" 2014-2020; - Support for a limited number (up to 2) of infrastructures from the National Roadmap of Re- 	<p>The planned activities will serve to increase the competitiveness of the regional economy and the positive structural changes related to it.</p> <p>Enterprises having increased their innovation capacity - 1,158;</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
	<p>search Infrastructure (NRRI) or their associations and Laboratory Complex "Sofia Tech Park";</p> <ul style="list-style-type: none"> - Support for a limited number of research projects in the thematic areas of the Innovation Strategy for Smart Specialization and the UN Sustainable Development Goals; - Stimulation of international scientific cooperation and participation in framework programmes of the EU; - Development of a model for knowledge and technology transfer; - Innovation grants (voucher scheme) for SMEs to promote cooperation with CEs, CCs, the sites of the NRRI, the Laboratory Complex at "Sofia Tech Park" and other research organizations and laboratories; - "Fast Runway" scheme for innovations; - Green and digital partnerships for smart transformation; - Programmes for cooperation in the fields of European value creation chains; - Mobility programmes between the industry, research organizations and higher education establishments; - Development of innovation clusters; - A technology transfer fund to support investments in spin-off companies, high-tech startups and knowledge-based enterprises; - Support for the European Digital Innovation Hubs (EDIH); - Participation in European partnerships. <ul style="list-style-type: none"> - Under the NRRP component 3 "Smart Industry" - Investment C3.11. "Public Support Programme for the Development of Industrial Areas, Parks and Similar Territories and for Attracting Investments ("AttractInvestBG")" the following measures are foreseen: <ul style="list-style-type: none"> - Construction, reconstruction and rehabilitation of technical infrastructure leading to the borders of the industrial park or zone (road and railway connections, transfer lines and their facilities); - Construction, reconstruction and rehabilitation of internal technical infrastructure within the borders of the industrial park or zone (streets, alleys, parking lots, squares, railway lines, transfer pipelines and facilities etc.); - Construction of scientific research (innovative) infrastructure - construction, 	<p>SMEs introducing innovation in a product or a process</p> <p>Submitted patent requests</p> <p>Research job positions, created in the supported structures</p> <p>Supported SMEs from the EDIH network</p> <p>Supported enterprises with the seal of excellence</p> <p>The procedure will contribute to stimulating economic growth, creating new jobs and increasing the export capacity of the country by creating favorable conditions for investors in the industrial parks/zones.</p> <p>The expected effect is to accelerate the process of rehabilitation, construction and development of modern industrial zones and parks to attract investments, with the necessary in-</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Reducing inequalities	<p>reconstruction and refurbishing of buildings and premises for carrying out scientific research and development activities, innovations and technological transfer, laboratories for tests related to the activity of enterprises on the territory of the industrial area zone or park;</p> <ul style="list-style-type: none"> - Construction of ecological internal infrastructure, creating innovative, sustainable and ecological opportunities for industrial production in the parks and zones (charging stations of solar batteries for electric cars). 	<p>infrastructure for investors and favorable conditions for the implementation of new projects in the industry to support economic growth.</p>
Sustainable cities and communities	<p>The RDP 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.</p> <p>The 2021–2027 OPHRD finances measures to overcome inequalities among different disadvantaged groups (marginalized communities, people with disabilities, children, etc.), as well as through participation in territorial approaches at the regional and local level.</p> <p>The RDP 2021-2027 provides for the support of green urban infrastructure through the construction of public recreation areas and green areas, as well as the renovation of neighborhoods/specific territories with unfavorable socio-economic characteristics, subject to the principle of non-segregation. Measures are also planned to finance sustainable urban mobility by replacing the rolling stock of public transport with environmentally friendly one, charging infrastructure for clean vehicles, bicycle and pedestrian networks, etc.</p> <p>The implementation of the National Programme for Energy Efficiency of multi-family residential buildings continues, aimed at the renovation of multi-family residential buildings with the main goal to ensure better living conditions for citizens in multi-family residential buildings, thermal comfort and high quality of the living environment through the implementation of energy efficiency measures.</p>	<p>The envisaged approach will create the necessary conditions for improving the potential of individual territories, accelerating socio-economic growth and eliminating sharp regional differences.</p> <p>Creating opportunities to overcome the challenges caused by the presence of inequalities among different population groups.</p> <p>Population covered by the measures for decreasing the quantities of PM10 and NOx - 3,000,000 citizens until 2023.</p> <p>Improved living conditions, accessible and attractive environment and access to quality services in cities, reduction of the climate footprint, improved conditions in urban transport.</p> <p>The buildings approved for renovation are 2,022 where as of February 02, 2023 renewed and commissioned are 1,954 of them.</p> <p>The renovation of all 2,022 buildings is expected to achieve energy savings of 958,358 MWh/year and an annual reduction of greenhouse gas emissions (CO2 and equivalent) - incl. saving 317 CO2/kiloton/year.</p>
Responsible consumption	<p>Applying the waste management hierarchy, preventing its generation, promoting its reuse and recovery through recycling, reducing landfilling and</p>	<p>Additional capacity for waste recycling - 240,000 tons/year until 2023.</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Fighting climate changes	<p>limiting its harmful impact on the environment and human health (measure addressing CSR 1, part of Appendix 1).</p> <p>Financing of measures for decreasing the GHG emissions and adaptation to climate changes (measure addressing CSR 1, part of Appendix 1).</p> <p>The RDP 2021-2027 plans a set of measures related to energy efficiency and RES in the building stock, as well as investments in sustainable urban mobility, among which: replacement of public transport rolling stock with environmentally friendly, charging infrastructure for clean vehicles.</p> <p>Under NRRP Component 8 "Sustainable Transport" - Reform C8.R5 "Electric Mobility" includes legislative measures to promote zero-emission mobility.</p>	<p>Saved GHG from supported projects addressing the mitigation of unfavorable climate changes: 860 000 tCO₂eq up to 2023.</p> <p>The interventions planned in the programme help to reduce greenhouse gas emissions from domestic heating and transport.</p> <p>A key stage of the reform is the adoption of a new Law on Promotion of Electric Mobility. The purpose of the law is to accelerate the electrification of road transport in Bulgaria and reduce the related emissions of greenhouse gases and air pollution. The law should allow and encourage the expansion of electric charging station infrastructure across the country.</p> <p>The law should also introduce incentives for electric vehicle (EV) market entry and be in line with the polluter pays principle, including special measures such as subsidies for zero-emission vehicles, differentiation of fees/taxes for registration/ownership depending on the level of emissions and scrapping schemes for the most polluting vehicles (emissions standard Euro 3 or below).</p>
Life underwater	<ol style="list-style-type: none"> 1. MFAP 2021-2027 foresees a set of measures on national and regional level related to: the possibility of reducing marine litter by cleaning the seabed; investments to strengthen control – catch tracking, data declaration, etc.; investments to develop small-scale fisheries and contribute to short supply chains. 2. Protection, maintenance and restoration of ecosystems and their inherent biological diversity (measure addressing CSR 1, part of Appendix 1), incl. project implementation under OPE 2014-2020: Natura 2000 in the Black Sea with value (AG) BGN 11.7 million <p>2) Implementation of projects under the call for "Small grant scheme for reducing marine litter" under the EPCCP of the EEA FM 2014-2021 - 5 with a total value (AG) of BGN 1.2 million, as well as a redefined project " Knowledge and information regarding regional activities for the protection of the environment of the Black Sea" under the same programme worth BGN 1 million.</p>	<p>Decreasing the pollution of the marine environment.</p> <p>Effective regulation of fish harvest and eradication of overfishing, illegal, undeclared and unregulated fishing.</p> <p>Providing access to marine resources and markets for traditional small-scale and subsistence fishers.</p> <p>Finishing the Natura 2000 network in marine environment.</p> <p>Reduction of the amount of waste in the marine environment, incl. training and awareness raising regarding marine water pollution.</p> <p>2) Updating the data and information on the marine environment, improving the definitions, goals and indicators for assessing the definitions of good state of the marine environment, supporting the implementation of</p>

Goal:	Measures taken:	Expected impact of the measures (quality and/or quantity)
Life on Earth	Updating the programmes with measures from the Maritime Strategy of the Republic of Bulgaria for a second cycle - for the period 2022-2027.	the Programme of Measures for the Marine Strategy of Bulgaria, increasing the capacity for complex exploration, monitoring and modeling of the marine environment.
Peace and justice	Protection, maintenance and restoration of ecosystems and their inherent biological diversity (measure addressing CSR 1, part of Appendix 1).	Area of habitats supported to achieve better conservation status - 1,565,668 ha by 2023.
Partnerships for the goals	<p>The medium-term programme of the Republic of Bulgaria for development and humanitarian aid for the period 2020-2024 defines 5 geographical regions with 27 countries (Western Balkans, Eastern Partnership, Middle East and North Africa, Sub-Saharan Africa and Asia), 7 sectoral and 3 horizontal priorities.</p> <p>Bulgaria provides funds on a bilateral basis through free financing of projects in partner countries, targeted and non-targeted contributions to international organizations, humanitarian aid on a bilateral and multilateral basis, as well as for dealing with emerging humanitarian crises.</p> <p>On a bilateral basis with funds under the Programme in 2022, Bulgaria supported 19 countries to finance 109 projects in the countries of the Western Balkans, the Eastern Partnership, Asia, the Middle East and Africa.</p> <p>Bulgaria makes consistent and purposeful efforts to gradually increase the scope of its participation in international development cooperation.</p> <p>The total aid provided for the development of the Republic of Bulgaria increases on an annual basis from a total value of USD 91.20 million in 2021 to USD 231.97 million in 2022, which according to preliminary data represents 0.27% of the GNI.</p>	Support of partner countries to achieve sustainable social and economic growth. Provision of funds in priority sectors for beneficiary countries such as: education, health care (including through rehabilitation and construction of socially relevant infrastructure), economic sustainable progress, good governance and development of democratic institutions, gender equality, protection of human rights, with an emphasis on the most vulnerable groups especially disadvantaged people, women and girls. Providing humanitarian aid through contributions to international organizations, as well as to deal with urgent humanitarian crises.

5 EU Funds Use

The main directions of investments co-financed by the European funds under shared management for the 2021-2027 programming period have been determined based on an analysis of the socio-economic development of Bulgaria 2007-2017 and include:

- Innovative and smart economic transition through innovations 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 regions in the country.

The budget for Bulgaria amounts to around EUR 13 billion European and national funding. All programmes for the 2021-2027 programming period contain planned measures related to the specific recommendations of the EU to Bulgaria, the conclusions of the National Report on Bulgaria for 2022, as well as the UN goals for sustainable growth.

The Partnership Agreement 2021-2027 is a strategic document that justifies the choice of policy objectives, outlines national priorities in European funding, describes the main focus of interventions and lists the programmes that will address them. The document also describes the coordination, differentiation and complementarity between funds, where applicable, coordination with national programmes and interaction with other EU instruments. The Partnership Agreement was officially approved by the EC with an Implementing Decision dated July 6, 2022. Based on the strategic framework laid down in the Agreement, the individual programmes detail and further develop the main actions to implement the outlined goals and priorities. All programmes were approved by the EC in the period August-December 2022.

The Regional Development Programme 2021-2027 has the main objective of creating economically strong and sustainable regions by promoting balanced territorial development and integrated investments. In 2023 procedures will start under the two main priorities of the Programme³: integrated urban development in the 10 municipalities - main centers of growth, and integrated territorial development of the regions, within 40 urban municipalities. The budget of both procedures amounts to BGN 1.950 billion.

The Transport Connectivity Programme 2021-2027 aims to contribute to the development of rail and road infrastructure along the TEN-T network, the promotion of intermodality and the construction of infrastructure for alternative fuels along the main lines of the national road network and in ports of national importance. In 2023, the launch of a total of 6 projects under the main priorities of the programme is planned, in the amount of BGN 2.9 billion.

Under the Environment Programme 2021-2027, measures relate to climate change and disaster risk, sectors Water, Circular Economy, Biodiversity and Air Quality Improvement. They are also in line with the UN's goal of promoting sustainable development and climate action. Within 2023, 21 procedures are planned according to the main priorities of the programme: "Waters" - 2 operations with a total budget of over BGN 983 million; "Waste" - 3 procedures in the amount of over BGN 430 million; "Air" - 7 operations with financing of over BGN 680 million; "Biological diversity" - 6 procedures in the amount of over BGN 77 million; "Risk and climate change" - 3 operations with a total budget of nearly BGN 276 million.

Competitiveness and Innovation in Enterprises Programme (CIEP) 2021-2027 has the main goal of smart and sustainable growth of the Bulgarian economy and the implementation of industrial and digital transformation. Interventions are foreseen, stimulating the increase in the competitiveness of Bulgarian SMEs and the introduction of modern technologies, incl. measures for energy efficiency and reduction of greenhouse gas emissions. The programme will start in 2023 with 4 procedures for providing grants in the amount of BGN 548 million. The operations are aimed at developing and implementing innovations in enterprises; improving the

³ The information on the procedures planned for announcement is presented according to the indicative annual work programmes for 2023 of the individual programmes.

production capacity of SMEs for family businesses, enterprises from the creative industries and crafts; improving the business environment to increase the export potential of Bulgarian SMEs.

Research, Innovation and Digitalization for Smart Transformation Programme (RIDSTP) 2021-2027 has as its main objective the development of scientific research and innovation for the benefit of the accelerated economic development of the country. It is also a response to the need to accelerate the digitization processes of the public sector and build a favorable digital environment. The indicative annual work programme for 2023 foresees the announcement of 14 procedures for the total amount of BGN 525 million. The operations are based on the two main priorities of the programme - "Sustainable development of the Bulgarian research and innovation ecosystem" and "Digital transformation of the public sector", with the main focus of the investments being on the sustainable development of centers of excellence and centers of competence.

The Human Resources Development Programme (HRDP) 2021-2027 has the main objective of promoting employment and skills development, social inclusion and equal opportunities. For young people, special measures related to training, acquisition of skills, inclusion in internships, etc. are foreseen. The measures of the programme are also aimed at overcoming challenges in the field of social inclusion, with a focus in the field of long-term care, ensuring equal opportunities and access to quality social services and support for a full life in the community. 5 procedures with a total budget of BGN 530 million are being implemented, and in 2023, 9 new procedures are planned for launch for a total amount of over BGN 400 million.

The Food and Basic Material Assistance Programme 2021-2027 includes EU-innovative social support measures for people in extreme need. The Programme contributes to the overall national policy to mitigate and reduce poverty and to overcome social exclusion. The main directions of the support are: "Assisting with packages of food products and hygiene materials"; "Hot Lunch"; "Packages for newborn children" and "Children's kitchen", with operations under all planned measures in progress.

With the Education Programme 2021-2027, long-term measures will be implemented to reduce the share of early school leavers, development of key competences and digital transformation of school education, including vocational education and training. Emphasis is also placed on the adaptation of professional education and training to the dynamics of the labor market. Measures to introduce forms of dual education and the professional orientation of students through internships continue. The programme started with 2 procedures for BGN 221 million, aimed at supporting personal development in school education and modernization of professional education and training. The work programme for 2023 includes 6 procedures for over BGN 700 million, including to provide support for personal development in the preschool education system, as well as to implement the competence approach in school education. Under the Education Programme, funds are provided to finance the implementation of part of the measures at the national level for the implementation of the Country Specific Recommendation of the Council of June 14, 2021 on the creation of the European Child Guarantee, provided for in the Action Plan until 2030, adopted with Decision No. 879 of the Council of Ministers of November 9, 2022.

The Technical Assistance Programme 2021-2027 aims to ensure the effective management of funds for all programmes co-financed by the European Funds under shared management by strengthening the capacity of authorities, beneficiaries and partners, as well as increasing transparency and communication of achieved results. In 2023, the implementation of 6 operations will begin according to the priorities of the programme, with a total volume of financing in the amount of BGN 108 million

The implementation of the 2021-2027 Maritime, Fisheries and Aquaculture Programme will ensure the sustainable management of fisheries, the protection and enhancement of the environment and natural resources by minimizing negative impacts on them, the development of fisheries and aquaculture communities in coastal and inland areas on the country and along the river Danube. ■