

**7 November 2022**

**Positive preliminary assessment of the satisfactory fulfilment of milestones and targets related to the first payment request submitted by Bulgaria on 31 August 2022, transmitted to the Economic and Financial Committee by the European Commission**

**Executive summary**

In accordance with Article 24(2) of Regulation (EU) 2021/241, on 31 August 2022, Bulgaria submitted a request for payment for the first instalment of the non-repayable support. The payment request was accompanied by the required management declaration and summary of audits. Bulgaria submitted an updated management declaration on 7 October 2022.

To support its payment request, Bulgaria provided due justification of the satisfactory fulfilment of the 22 milestones and targets of the first instalment of the non-repayable support, as set out in Section 2.1.1. of the Council Implementing Decision of 5 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria<sup>1</sup>.

Upon receipt of the payment request, the Commission has assessed on a preliminary basis the satisfactory fulfilment of the relevant milestones and targets. Based on the information provided by Bulgaria, the Commission has made a positive preliminary assessment of the satisfactory fulfilment of all 22 milestones and targets.

The milestones and targets positively assessed as part of this payment request demonstrate significant steps in the implementation of Bulgaria's recovery and resilience plan. This includes, among others, an audit and control system for the implementation of the plan, reform of the minimum income scheme and social services, strengthening the anti-money laundering framework, reforms in preschool and school education and lifelong learning, the new road safety strategy and action plan and the creation of a favourable investment environment for the deployment of high-speed networks and 5G in the country. The milestones and targets also confirm progress towards the completion of investment projects related to the construction of new sections of the Sofia metro and development of the TETRA system and radio relay network.

By the transmission of this positive preliminary assessment and in accordance with Article 24(4) of Regulation (EU) 2021/241, the Commission asks for the opinion of the Economic and Financial Committee on the satisfactory fulfilment of the relevant milestones and targets.

---

<sup>1</sup> ST 8091/22; ST 8091/22ADD 1.

## Table of Contents

Related Measure: Reform in preschool and school education and lifelong learning.....	3
Related Measure: Higher education reform .....	5
Related Measure: Higher education reform .....	9
Related Measure: Legal framework to attract industrial investment and develop industrial ecosystems.....	12
Related Measure: Entry into force of the Government Decision establishing the Green Energy Transition Commission.....	15
Related Measure: Efficient use of the radio frequency spectrum .....	17
Related Measure: Creating a favourable investment environment .....	19
Related Measure: Construction, development and optimisation of the digital TETRA system and radio relay network .....	22
Related Measure: Strategic transport framework .....	25
Related Measure: Road safety.....	29
Related Measure: Sofia metro line 3.....	33
Related Measure: A new regional approach with the direct involvement of local communities in the management of European funds and instruments.....	37
Related Measure: Accessible, effective and predictable justice.....	39
Related Measure: Strengthening the anti-money laundering framework.....	42
Related Measure: Improving the quality of the legislative process .....	46
Related Measure: Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan.....	52
Related Measure: Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan.....	53
Related Measure: Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan.....	57
Related Measure: Reform of the minimum income scheme.....	60
Related Measure: Reform of social services .....	62
Related Measure: Upgrading the strategic framework of the healthcare sector .....	67

## Non-repayable support

### Milestones

<b>Number: 1</b>	<b>Related Measure: C1.R1 Reform in preschool and school education and lifelong learning</b>	
Name of the Milestone: Entry into force of the amendments to the Pre-school and School Education Act and to secondary legislation		
<b>Qualitative Indicator:</b> Provision in the law indicating the entry into force of the amendments to the Pre-school and School Education Act and to secondary legislation		<b>Time:</b> Q4 2020
<p><b>Context:</b></p> <p>The objective of this reform is to increase quality and access to education and training. The reform consists of the entry into force of a legislative package, including amendments to the Preschool and School Education Act and secondary legislation, amendments to the Employment Promotion Act, the adoption of an Action Plan for the implementation of the Strategic Framework for the Development of Education, Training and Learning in the Republic of Bulgaria (2021-2030), and amendments to the regulatory framework for vocational education and training (VET).</p> <p>Milestone 1 represents the first step, namely the amendments to the Preschool and School Education Act and to secondary legislation, which includes the update of the science, technology, engineering and mathematics (STEM) core curricula and syllabus, additional distance learning opportunities, the inclusion of four-year-olds in the mandatory preschool programme, and the provision for a gradual phase-in of the mandatory inclusion. The other elements of the reform are covered by Milestones 2-4 to be completed by Q3-2023.</p>		
<p><b>Evidence Provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. Copy of the publication in the State Gazette and reference to the relevant provisions indicating the entry into force of:             <ol style="list-style-type: none"> <li>a. Decree No 185 of 09 September 2020 (published in State Gazette No. 82 of 9 September 2020) establishing the Law amending and supplementing the Pre-school and School Education Act to provide for the inclusion of four-year-olds in the mandatory pre-school programme and additional distance learning opportunities;</li> <li>b. Ordinance for amendments and supplementation of Ordinance No 4 of 2015 on the Curriculum (published in the State Gazette No. 76 of 28 August 2020), updating the STEM core curricula and syllabus;</li> <li>c. Ordinance for amendments and supplementation of Ordinance No. 5 of 2016 on Pre-School Education (published in the State Gazette No. 85 of 2 October 2020), expanding pre-school education to include 4-year-olds and defining conditions for delivering pre-school service by schools;</li> <li>d. Ordinance for amendments and supplementation of Ordinance No. 10 of 2016 on Organization of School Activities (published in the State Gazette No. 85 of 2 October 2020), expanding distance learning through the setting up of the conditions for application of distance learning in an electronic environment.</li> </ol> </li> </ol>		

The authorities also provided:

3. Ordinance for amendments and supplementation of Ordinance No. 11 of 2016 for Evaluation of the students learning (published in the State Gazette No. 43 of 13 May 2020) on the evaluation of the learning outcomes of students.
4. Ordinance for amendments and supplementation of Ordinance No. 7 of 2016 (published in State Gazette No. 80 of 11 September 2020) on the profiled preparation.
5. Ordinance for amendments and supplementation of Ordinance No. 9 of 2016 (published in State Gazette No. 87 of 9 October 2020) for institutions in the system of pre-school and school education.
6. Ordinance No 24 of 10 September 2020 (published in the State Gazette No. 84 of 29 September 2020) on the physical environment and information and library provision of kindergartens, schools and support centres for personal development.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The amendments to the Preschool and School Education Act and to secondary legislation provide for the update of the science, technology, engineering and mathematics core curricula and syllabus, as follows:

According to amendments §4 - §11 of the Ordinance for amendments and supplementation of Ordinance No. 4 of 2015, the following changes have been introduced:

- New IT skills in grades 5<sup>th</sup> to 7<sup>th</sup> The state education standard of the subject 'Information technology' for grades 5<sup>th</sup> to 7<sup>th</sup> was updated by introducing computer modelling, including encoding, and by increasing the study hours by 17 hours for grades 5<sup>th</sup> and 6<sup>th</sup>, and by 18 hours for the 7<sup>th</sup> grade. An increase in mathematics hours in grades 5<sup>th</sup> to 7<sup>th</sup>: The number of study hours in mathematics for grades 5<sup>th</sup> and 6<sup>th</sup> was increased by 17 hours, and by 18 hours for the 7<sup>th</sup> grade.
- An increase in geography and economics hours in the 6<sup>th</sup> grade: The number of study hours in the subject 'Geography and Economics' for the 6<sup>th</sup> grade were increased from 51 to 68.

Additionally, according to amendment §12 of the Ordinance for amendments and supplementation of Ordinance No. 4 of 2015 on the curricula, the entry into force of the school curricula approved for the primary and for the lower secondary stage is set as follows:

- School year 2021 - 2022 - for the 1<sup>st</sup> and 5<sup>th</sup> grade;
- School year 2022 - 2023 - for the 2<sup>nd</sup> and 6<sup>th</sup> grade;
- School year 2023 - 2024 - for the 7<sup>th</sup> grade.

The gradual phase-in of the updated curricula is necessary from a methodological and pedagogical point of view. A simultaneous introduction in all grades is considered to lead to difficulties in horizontal learning (such as for economics, without having received the necessary mathematics foundations) as well as vertical learning (such as studying a subject in 7<sup>th</sup> grade without having had the foundation from the 6<sup>th</sup> grade).

2. The amendments to the Preschool and School Education Act and to secondary legislation provide for additional distance learning opportunities, including hybrid forms of learning combining in-presence and online learning, as follows:

According to amendment §19 of the Law amending the Law on Pre-School and School Education, the entry into force of the amendments and supplements to the Law on Pre-School and School Education took place on 1 January 2021. The Law amending the Law on Pre-School and School Education amends and supplements Article 115a by setting the terms under which hybrid forms of learning may be included, combining in presence and distance learning options. In line with these amendments, students may combine physical attendance with synchronised distance learning, where synchronised distance learning shall not exceed 20 % of the compulsory and/or electable classes per subject (Article 115a (2)). Distance learning is also made available for students who, for health or other reasons, cannot attend school (Article 115a (3)), as well as in the event of a declared exceptional pandemic (Article 115a (4)). In case a school cannot provide remote learning hours, Article 115a (5) establishes that distance learning opportunities in an electronic environment may be provided by another school designated by the regional education department.

Furthermore, according to amendment §13, the entry into force of the secondary legislation, namely the Ordinance for Amendment and Supplementation of Ordinance No. 10 of 2016 on Organization of Activities in School Education took place on 2 October 2020. The Ordinance for Amendment and Supplementation of Ordinance No. 10 of 2016 on Organization of Activities in School Education expands the distance learning through the setting up of the conditions for application of distance learning in an electronic environment, as established by amendment §10, providing "Distance learning in an electronic environment" within Articles 40a to 40i. The conditions mainly cover synchronous and asynchronous remote learning, the organization of the distance learning by the educational institution, feedback and ongoing student evaluation for distance learning.

3. The amendments to the Preschool and School Education Act and to secondary legislation provide for the inclusion of four-year-olds in the mandatory pre-school programme. They provide for a gradual phase-in of the mandatory inclusion which shall be completed no later than for the school year 2023/2024 as follows:

Under amendment §1 of the Law amending the Law on Pre-School and School Education, Article 8 of the Law on Pre-School and School Education is amended for the inclusion of four-year-olds in the mandatory preschool programme.

Amendment §16 of the Law amending the Law on Pre-School and School Education provides for the progressive implementation of the mandatory inclusion of four-years-old in the pre-school program and for its completion by the beginning of the school year 2023 – 2024.

In addition, the Ordinance for Amendment and Supplementation of Ordinance No. 5 of 2016 on Pre-School Education, which, in line with amendment §12, entered into force on 2 October 2020, expands pre-school education to include 4-year-olds and defines conditions for delivering pre-school service by schools, according to amendments §1 and §2. These conditions mainly cover the physical environment and the information and library services, inspections at pre-schools and schools, and the status and professional development of teachers, directors, headmasters and the other educationalists.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 5</b>	<b>Related Measure: C1.R2 Higher education reform</b>
Name of the Milestone: Entry into force of the amendments to the Higher Education Act	
Qualitative Indicator: Provision in the law indicating the entry into force of	Time: Q1 2020

the amendments to the Higher Education Act

**Context:**

The objective of the reform is to enhance the effectiveness of higher education across the territory of Bulgaria.

The milestone consists of the entry into force of the amendments to the Higher Education Act. These amendments include a revised system of accreditation of higher education institutions and introduce the status of 'Research University'. They also allow for (i) the exemption from fees at state higher education institutions for students or recent graduates who sign a traineeship agreement with an employer; (ii) the updating of the list of 'protected specializations' based on expected labour market shortages. Finally, the amendments introduce the possibility to conclude up to two agreements between state higher schools and state or municipal schools in the system of preschool and school education.

The other two milestones under this reform are milestones 6, also included in the first payment request, and 7, to be completed by Q4-2022. They consist of the adoption of the National Map of higher education and the adoption of an Action Plan for the implementation of the Strategy for the Development of Higher Education in the Republic of Bulgaria (2021-2030).

**Evidence Provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Copy of the publication in the State Gazette and reference to the relevant provisions indicating the entry into force of:
  - a) Decree No. 34 of 13 February 2020 establishing the Law amending and supplementing the Higher Education Act (published in State Gazette No. 17 of 13 February 2020), providing for the inclusion of a new accreditation system, tuition costs for students with contracts with employer, list of protected specialties and agreement between secondary and higher schools;
  - b) Decree No. 283 of 19 August 2021 (published in State Gazette No. 70 of 19 August 2021) adopting a list of professional directions and protected specialties under Article 95, Al. 7, Volume 8 of the Higher Education Act.

The authorities also provided:

3. Decree No. 12 of 20 January 2021 of the Council of Ministers apostille 12 (published in State Gazette No. 7 of 20 January 2021), adopting an ordinance on the terms and conditions for ensuring the payment of the costs of training students who have concluded contracts with an employer;
4. Proposal for inclusion in the tax exemption list of protected specialisations in occupational branch 5.9 'Metallurgy', as referred to in Article 95(7)(8) of the Higher Education Act.

**Analysis:**

The justification and substantiating evidence provided by Bulgaria cover all constitutive elements of the milestone. In particular:

Decree No. 34 establishing the Law amending and supplementing the Higher Education Act entered into force on 25 February 2020. In line with the requirements of the CID, this Decree

provides for:

1. The introduction of a revised system of accreditation of higher education institutions under amendments §32 to §49.

The amendments to the Higher Education Act aim at easing the accreditation procedure of the higher schools as well as meeting the European requirements and criteria for quality assurance in higher education. Whilst Chapter 10 of the Higher Education Act provided for two distinct accreditation procedures for programme accreditation and institutional accreditation, amendments §34 and §35 of Decree No. 34 to Articles 77 and 78 of the Higher Education Act modify the institutional and programme accreditation procedures on the basis of an updated methodology developed by the National Assessment and Accreditation Agency. According to explanations included in the summary document (page 3), the updated methodology for institutional and programme accreditation results in a joint accreditation procedure whereby the programme accreditation is considered by the National Evaluation and Accreditation Agency within the institutional accreditation assessment and not in separate procedures. Additionally, amendment §32 provides for the creation of an electronic platform for the purposes of accreditation.

Amendments §39 - § 48 provide further changes to the accreditation procedure. Firstly, they introduce changes to the opening of an accreditation procedure. According to amendments §39 and 40 to Articles 81 and 82 of the Higher Education Act, an accreditation procedure may not be opened until another ongoing institutional accreditation procedure has been completed. In addition, programme accreditation procedures for each professional field shall be carried out simultaneously for all Higher Education Institutions. Secondly, the amendments change the information to be provided in the Accreditation Board's final decision. According to amendment §41 to Article 83, the institutional accreditation final decision shall include information on the duration of the accreditation granted and the capacity of the Higher Education Institution or, for programme accreditations, the capacity of the professional department. Thirdly, the amendments cover the assessment procedure of the programme and institutional accreditations. According to Article 88, the Permanent Committee of the National Agency for Assessment and Accreditation shall prepare and submit to the Accreditation Board a report. Amendments §45 and 46 to Article 88 of the Higher Education Act introduce a requirement that the report under Article 81(3) containing reasoned findings on the compliance of the Higher Education Institution with the criteria for institutional and programme accreditation and that this report shall be based on a self-assessment report submitted by the Higher Education Institutions after. Lastly, the amendments cover the post-assessment procedure of the institutional and accreditation procedure. According to amendment §48 to Article 88 of the Higher Education Act, the Permanent Committee shall assist the National Agency for Assessment and Accreditation in monitoring and controlling the ability of the Higher Education Institutions to ensure high quality education and research through an internal quality assessment and maintenance system, as well as in monitoring the implementation of the recommendations given in the accreditation assessment.

Overall, the amendments to the Higher Education Act satisfactorily introduce a revised system of accreditation of higher education institutions, simplifying the institutional and programme accreditation process and improving quality assurance.

2. The introduction of the status of 'Research University', as follows:

Amendment §8 of Decree No. 34 introduces article 17.A setting out the required criteria that universities must fulfil for obtaining the status of 'Research University'. According to Article 17A

the status of 'Research University' is awarded to universities that conduct research and investigation activities contributing to a significant development of important public areas, based on several objective indicators, including the number of published and referenced articles in international databases, the number of applications for international patents, or the number of citations by other authors in international databases. According to Article 17.A (2), Research Universities are grouped in a list adopted by the Council of Ministers, updated by 1 November on an annual basis, and published in the State Gazette. A university that meets the criteria is included in the list for a period of 4 years. Proposals for inclusion in the list are made by the Minister of Education and Science at the request of the Higher School. The status of 'Research University' entails being direct beneficiary of the National Fund for scientific research, as described in the Strategy for the Development of Higher Education in the Republic of Bulgaria for the period 2021-2030 (goal 6, measure 6.1.2).

3. The exemption of students or recent graduates who sign a traineeship agreement with an employer from paying fees at state higher education institutions, as follows:

Amendment §55 of Decree No. 34 establishes Article 95.A, introducing the exemption of students or recent graduates who sign a traineeship agreement with an employer from paying fees at state higher schools.

According to Article 95.A, funds from the state budget are used to cover the full or partial payment of the tuition costs of students who have signed a contract with an employer for carrying out an internship in their respective field during the period of study and for obtaining employment after the successful completion of the internship by the student.

According to Article 95.A (2), a contract may be concluded with an employer who has declared a need for workers or employees with acquired educational-qualification degree of higher education and is included in a list adopted by the Council of Ministers. Article 95.A (8) further prescribes that the specific terms and conditions for the application and inclusion of employers in the list shall be regulated by an ordinance of the Council of Ministers.

According to paragraph (3) of this Article, the contract shall specify the terms and conditions place and duration of the internship, the remuneration, the conditions of termination, as well as the duration of the employment after the successful completion of the training.

Paragraph (6) of the same Article further prescribes that the Ministry of Education and Science shall create and maintain an information database for the concluded contracts and, based on the provisions of paragraph (7) of the same Article, the Higher School is obliged to provide information to the Ministry of Education and Science about the concluded contracts.

In addition, by Decree No. 12 of 20 January 2021 which entered into force on 26 January 2021, the Council of Ministers adopted an Ordinance on the terms and conditions for ensuring the payment of the costs for training students who concluded contracts with an employer.

4. The amendments to the Higher Education Act provide for the update of the list of 'protected specializations' based on expected labour market shortages.

The amendment to the Higher Education Act (amendment §54 of Decree No. 34) provides for the legal basis to extend the exemption of tuition fees for students studying in professional fields and protected specializations with the highest expected future shortage of the labour market on the basis of a list adopted by the Council of Ministers on a proposal from the Minister of Education



and Science.

Decree No. 283 entered into force on 24 August 2021. In line with the CID requirements, the Council of Ministers adopted an updated list of professional directions and protected specializations (such as chemical technologies or Romanian philology).

According to the explanations included in the summary document (pages 5-6), and in line with the provisions of Article 17a (4) of the Higher Education Act, proposals for inclusion of protected specialisations in the exemption list are made by Higher Schools. These proposals are accompanied by statements from employers and trade union organizations indicating the expected shortage of specialists with certain qualifications. The submitted proposals and data are analysed by experts in the Ministry of Education and Science, particularly focusing on medium- and long-term forecasts of labour market developments, including factors of labour demand, employment trends, regional and educational imbalances. Such analysis constitutes the basis on which the draft Decree of the Council of Ministers adopting the list of professional directions and protected specializations is prepared.

5. The amendments to the Higher Education Act introduce the possibility to conclude up to two agreements between state higher schools and state or municipal schools in the system of preschool and school education:

Amendment §9 of Decree No. 34 amends Article 21(1) of the Higher Education Act, by prescribing the right to conclude contracts between state higher schools and state and municipal schools from the pre-school and school education system in Bulgaria. This amendment provides for (i) the right to conclude one agreement if the number of trained students is less than or equal to 5000; (ii) the right to conclude a maximum of two agreements if the number of trained students is higher than 5000; and (iii) the right to conclude a maximum of four agreements in case of research universities.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 6</b>	<b>Related Measure: C1.R2 Higher education reform</b>
Name of the Milestone: National Map of Higher Education	
<b>Qualitative Indicator:</b> Adoption by the Council of Ministers	<b>Time:</b> Q3 2021
<b>Context:</b>  The objective of the reform is to enhance the effectiveness of higher education across the territory of Bulgaria.  The milestone represents the second out of three steps for the implementation of the reform. It requires the adoption of the National Map of Higher Education, providing an analysis of the offer of higher education and resources available across the territory.	
<b>Evidence Provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li><li>2. Copy of the publication in the State Gazette No. 17 of 13 February 2020 of Decree No. 34 establishing the Law amending and supplementing the Higher Education Act regulating the adoption of a national map for higher education in the Republic of Bulgaria;</li></ol>	

3. Copy of the publication on the official website of the Council of Ministers of the Council of Ministers Decision No. 538 of 22 July 2021 adopting the National Map of Higher Education in the Republic of Bulgaria, including Annex I 'Methodology for preparing and updating information on the state of the profile and territorial structure of higher education contained in the National Map of Higher Education in the Republic of Bulgaria' and Annex II 'State of the profile and territorial structure of higher education in the Republic of Bulgaria in 2021'.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The Map has been adopted by the Council of Ministers:

Article 9(3) of Decree No. 34, provides for the adoption of the National Map of Higher Education, on a proposal from the Minister of Education and Science. The Map was adopted through Council of Ministers Decision No. 538 of 22 July 2021, in accordance with Article 9 of the Higher Education Act. The same Council of Ministers Decision No. 538 adopted Annexes I 'Methodology for preparing and updating information on the state of the profile and territorial structure of higher education contained in the National Map of Higher Education in the Republic of Bulgaria' and II 'State of the profile and territorial structure of higher education in the Republic of Bulgaria in 2021'.

2. The National Map of Higher Education ('the Map') supports the formulation of recommendations to promote a more balanced distribution of the higher education offer across the territory, as follows:

The National Map of Higher Education, under heading 4 (pages 77 – 81), provides national guidelines to increase the relevance of the profile and territorial structure of higher education. These guidelines take into account data on the current profile and territorial structure of higher education, as provided in Annex 2 ('State of the profile and territorial structure of higher education in the Republic of Bulgaria in 2021').

In addition, the guidelines also take into account forecasts on socio-economic developments and labour market needs put forward by stakeholders. This is notably the case where the guidelines are about defining and implementing national policy orientations for the development of the profile and territorial structure of the higher education offer in line with socio-economic developments and labour market needs (pages 80 - 81). In addition, the National Map provides guidelines for a more balanced development of the Higher Education Institutions network (page 77 – 78), depending on the needs of Bulgaria regions for higher education, based on the number of upper secondary students and the number of professionals employed for each student. Furthermore, the National Education Map includes guidelines on the opening, conversion or closure of subsidiaries and colleges in State Higher Education Institutions and in State and private Higher Education Institutions abroad (page 78 – 79), and for opening new professional strands/regulated professions in existing Higher Education Institutions, faculties, affiliates and colleges (79 – 80).

Considering that the National Map of Higher Education establishes guidelines for developing the profile and territorial structure of the higher education offer, for the opening, conversion or closure of subsidiaries and colleges in both State and private Higher Education Institutions, as well as for a more balanced development of the Higher Education Institutions, it is considered

that this constitutive element of the milestone is satisfactorily fulfilled.

3. The Map includes an analysis covering the territorial distribution of the higher education offer in the Republic of Bulgaria, including information on the national and regional socio-economic and labour market developments, as follows:

This analysis can be found in The National Map of Higher Education under heading 3 (pages 40 – 76). It covers (i) the congruence between the profile of the training opportunities offered by higher education institutions and the demand for higher education from potential students across the territory, measured by a set of objective indicators such as the ratio between the number of active students and the capacity of higher education institutions in the respective professional strands or regulated professions or the yearly change (%) in the applications for higher education; and (ii) the congruence between the profile of graduates and the demand for higher-education professionals from employers across territory.

The analysis includes information on the national and regional socio-economic developments by indicating the level of demand for higher education from candidate students across national territory, the percentage of students completing their graduate studies at national level, and the percentage of students completing their graduate studies per each Higher Education Institution specialty of the regulated professions across the territory. It further highlights that the North-West and South-East Bulgarian regions are the ones in the most pronounced need for the development of higher education. These are regions with a high proportion of employed specialists with a tertiary education degree and with a high proportion of upper secondary students (page 75).

In addition, Annex 2 to the National Map of Higher Education ('Status of the profile and territorial structure of higher education in the Republic of Bulgaria in 2021') covers the development of labour market needs according to different indicators, such as: i) the share of unemployed among Bulgarian citizens who graduated in the previous 5 years in Bulgaria; ii) the contribution to the social security system of Bulgarian by citizens who graduated in the previous 5 years in Bulgaria; iii) the share of contributors to the social security system among Bulgarian citizens who graduated in the previous 5 years; iv) the share of employees in a position requiring higher education or occupying a vocational position among Bulgarian citizens who graduated in the previous 5 years in Bulgaria; and v) the change in the share of unemployed citizens among Bulgarian citizens who graduated in the previous 5 years.

4. The Map includes an analysis covering the resources available in Higher Education Institutions, including academic staff and students, as follows:

The National Map of Higher Education, under heading 2 (pages 10 – 39), includes an analysis regarding the main features of the current profile and territorial structure of the higher education offer in vocational fields, regulated professions and planning regions, including among others, capacity (maximum number of students per higher education institution and per region), proportion of graduates compared to enrolment, and the ratio between the number of teachers and the number of students. Regarding the resources available, the analysis focuses on the distribution of teachers and potential student applicants by examining, among others, the number of active students and teachers per occupational strand across the territory, the distribution of students per region, the total number of teachers per region and the share of students per teacher in the different professional strands. In addition, Annex 2 to the National map of higher education ('Status of the profile and territorial structure of higher education in the Republic of Bulgaria in 2021') analyses the distribution of teachers and doctoral candidates across four different types of regions across the Bulgarian territory. These regions differ in terms

of the level of education of the employed workers and the number of active students (such as Type A regions, which represent regions with a high proportion of employed specialists with a tertiary education degree and a high proportion of upper secondary students).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 35</b>	<b>Related Measure: C3.R1 Legal framework to attract industrial investment and develop industrial ecosystems</b>
Name of the Milestone: Entry into force of the new Industrial Parks Act	
<b>Qualitative Indicator:</b> Entry into force of the Industrial Parks Act	<b>Time:</b> Q1 2021
<p><b>Context:</b></p> <p>The objective of this reform is to create favourable conditions for entrepreneurs, investors and research institutions in industrial parks by establishing a framework for the development of industrial ecosystems.</p> <p>Milestone 35 is the only milestone under this measure. It concerns the entry into force of the new Industrial Parks Act. The Industrial Parks Act introduces simplified procedures and promotion measures for investments in industrial parks. It introduces the possibility for owners of industrial parks to use a simplified regime for using administrative services during the construction and development of the park. Owners and investors are provided with the opportunity to receive support under the terms and conditions of the Investment Promotion Act.</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled. The summary documents include references to the relevant provisions indicating the entry into force and to the provisions which fulfil the relevant elements of the milestone, as listed in the description of the milestone and the corresponding measure in the CID Annex;</li> <li>2. A link to the publication in the State Gazette No. 21 of 12 March 2021 of Decree No. 84 of 25 February 2021 ('Industrial Parks Act'). <a href="https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=156334">https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=156334</a></li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>3. Copy of the Investment Promotion Act.</li> </ol>	
<p><b>Analysis:</b></p> <p>The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:</p> <ol style="list-style-type: none"> <li>1. <u>The Industrial Parks Act entered into force:</u></li> </ol> <p>The Industrial Parks Act was published in the State Gazette No. 21 of 12 March 2021 and entered into force on 16 March 2021 (Article 5(5) of the Constitution of the Republic of Bulgaria and Article 41 of the Law on legislative acts).</p> <ol style="list-style-type: none"> <li>2. <u>The Industrial Parks Act (the 'Act') regulates state support and incentives to attract</u></li> </ol>	

investment in industrial parks, as follows:

Article 19 of the Act gives to national and local administration the right to support industrial parks through dedicated measures. Article 19(2) grants to the Council of Ministers the power to adopt measures to stimulate the creation, operation and development of industrial parks. The measures, which are not further qualified in the Act, can therefore be established on the basis of the Act by Decision of the Council of Ministers. Article 19(3) grants to the Ministry of Economy the power to implement such measures; Article 19(3) grants to municipal councils the power to adopt such measures within its territory.

Article 20 introduces simplified administrative procedures for the construction and development of industrial parks. Specifically:

- Article 20(1) establishes a simplified administrative regime for industrial parks. This is further described under point 3. below;
- Article 20(2) establishes that state support is granted to registered park owners or investors, under the conditions of the Investment Promotion Act, through national programs and through the European structural and investment funds;
- Article 20(3) establishes that municipal councils may: determine preferential amounts of local fees for technical and administrative services related to the activities carried out in the territory of the industrial park; exempt owners and investors from local fees in relation to internal technical infrastructure and public service facilities of the industrial parks thereby incentivising investment in the industrial national parks.

Overall, the Act provides a clear legal framework for the establishment and implementation of support measures for the infrastructure and facilities of industrial parks, as well as for economic activities carried out therein. The link to the conditions of the Investment Promotion Act that need to be met for industry parks to receive state support complements the regulation for support measures. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

3. The Act provides for a shortening of the procedures required for industrial investment, as follows:

Article 20(1) of the Act states that a simplified regime of administrative service is applied during the construction and development of the park for the procedures listed in chapter III of the Act. The simplification and shortening of the administrative procedures are based on the provisions of the Investment Promotion Act. In the specific, Article 22f(3) of the Investment Promotion Act (supplement No. 21 of 2021), defines investments in industrial parks as priority investments.

Based on Article 15(1) of the Investment Promotion Act, priority investments have a special status and benefit from a shortening of the procedures for administrative services required for industrial investment. The shortening of waiting time is specified in Article 21(2) and (5) of the Investment Promotion Act. The Bulgarian authorities provided in the summary document a description of the content of this article with reference to the regular maximum waiting times foreseen by the law for each of the procedures listed therein. The waiting times and the implied shortening are as follows:

- Article 21(2) within 5 days after receipt of a request from the investor:
  - for the issuance of a visa for designing (25-day shortening), preliminary design (9-day shortening), and worked out assessment (9-day shortening), respectively under Article 140(1), Article 141(8)(2), and Article 144(3)(1) of the Spatial

- Development Act (for sites of categories other than first, second and third);
  - for a permit for special usage of roads (25-day shortening), under Article 26(3) of the Roads Act;
- Article 21(3) within 14 days after receipt of a request by the investor:
  - for the issuance of a preliminary design (15-day shortening), and worked out assessment (15-day shortening), respectively under Article 141(8)(1), and Article 144(3)(2) of the Spatial Development Act (for sites of first, second and third category);
  - for the announcement (6-day shortening) under Article 62a (1) of the Water Act;
- Article 21(4): within 30 days after receipt of a request by the investor for a change of the purpose of use of the territory and of land properties (15-day shortening) under Art. 62a (3) of the Spatial Development Act;
- Article 21(5): One-third shorter than the waiting time provided for in the relevant statutory instruments, for any other applicable administrative procedures.

The Act provides for a substantial shortening of waiting times for key administrative procedures for industrial investments related to the construction and development of the parks as compared to regular times envisaged by the previous legislative framework. The shortening is clearly qualified and quantified with reference to the relevant applicable laws. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

4. The Act sets the minimum standards for industrial park investments to benefit from state support, as follows:

The Act establishes the minimum standards for a designated territory to be granted the status of industrial park, based on the procedure described in Article 24 of the Act. These minimum standards, including size of the area, minimum requirements in terms of technical infrastructure, including transport infrastructure, are set in Section II of the Act (Articles 4 to 7). In particular, Article 4(3) and (4) set the minimum size, Article 5(3) prohibits the inclusion of lands under dispute in the park and Article 7 lists the infrastructure necessary to qualify an area as an industrial park. A park which complies with the content of these articles can be registered as a park according to procedure established in Article 21. A registered industrial park is consequently eligible for state support as per Article 19 of the Act, on the basis of a decision by the Council of Ministers in this respect (see point 2 above).

On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

Overall, the legal framework creates favourable conditions for entrepreneurs, investors and research institutions in industrial parks by establishing a framework for the development of industrial ecosystems. The entry into force of the Act contributes to the improvement of the investment conditions in Bulgaria.

In particular, the Act provides a framework for investment in industry parks composed of two elements: regulating the provision of state benefits for investors including minimum standards, and the shortening of administrative procedures. This provides favourable conditions for the development of industrial parks throughout Bulgaria.

The industry parks facilitate the creation of industrial ecosystems whereby companies, investors and research institutions create value added by exploiting synergies related to their physical proximity, through closer interactions in particular in research and development activities. They would further make use of common physical and digital infrastructures, reducing therefore costs

at the single firm level.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 113</b>	<b>Related Measure: C4.R9 Entry into force of the Government Decision establishing the Green Energy Transition Commission</b>	
Name of the Milestone: Entry into force of the Government Decision establishing the Green Energy Transition Commission		
<b>Qualitative Indicator:</b> Provision in the Government Decision indicating the entry into force of the Government Decision and the establishment of the Green Energy Transition Commission		<b>Time:</b> Q2 2022
<b>Context:</b>  The objective of the reform is to provide an updated strategic reform for the decarbonisation of the economy, with a focus on the energy sector. Milestone 113 requires the establishment of an 'Energy Transition Commission' by Government decision to prepare scenarios and recommendations for a roadmap to Climate Neutrality that are expected to contribute to the finalisation of the Territorial Just Transition Plans for the coal regions. The Commission is to be set up at expert level with broad involvement of stakeholders to ensure expertise, independence and pluralism.  The next steps of this process will be monitored under milestone 114, due Q3 2022, by which the National Assembly shall adopt a resolution endorsing a Roadmap to climate neutrality.		
<b>Evidence provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided by the authorities:  <ol style="list-style-type: none"><li>1. Summary document duly justifying how the milestone was satisfactorily fulfilled.</li><li>2. Copy of Council of Ministers Decree No. 108 of 31 May 2022 amending Decree No. 86 from 2020 establishing a European Green Deal Advisory Council (EGDAC) available at: <a href="https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=173778">https://dv.parliament.bg/DVWeb/showMaterialDV.jsp?idMat=173778</a></li><li>3. Copy of Council of Ministers Decree No. 204 from 29 July 2022 amending Decree No. 86 on the establishment of a European Green Deal Advisory Council (EGDAC) available at: <a href="https://dv.parliament.bg/DVWeb/showMaterialDV.jsp;jsessionid=954D30FE901EC5011CC0626B1ECFC249?idMat=175352">https://dv.parliament.bg/DVWeb/showMaterialDV.jsp;jsessionid=954D30FE901EC5011CC0626B1ECFC249?idMat=175352</a>.</li><li>4. Copy of Order No. P-128 by the chair of EGDAC establishing a selection committee for selection of the members of the ETC, the protocol of the meeting of the Selection Committee, the list of candidates and the approved ones.</li></ol> The authorities also provided: <ol style="list-style-type: none"><li>5. Copy of Order No. P-18 from 03 February 2022 issued by the Prime Minister appointing the chair of the EGDAC</li><li>6. Copy of the meeting protocol and the terms of reference for the output report by the Energy Transition Commission from 14 July 2022</li><li>7. Copy of invitation, meeting protocol, annual work programme, shorthand record, and participant list of the first meeting of the EGDAC that took place on 05 July 2022</li><li>8. Agenda, meeting protocol, and participant list of the first meeting of the Energy Transition Commission (ETC) that took place on 08 July 2022</li><li>9. Copy of draft Council of Ministers decision to empower the Deputy Prime Minister for</li></ol>		

Climate Policies (DPMCP) to lead and coordinate the climate work in Bulgaria, as well as Annual Programme for 2022 for the participation of the Republic of Bulgaria in the decision-making of the European Union, from 02 February 2022

10. Replies to RECOVER-ECFIN's request for additional clarifications from 10 October 2022 and 14 October 2022 ([Ares\(2022\)7154065](#)) – Info 1

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. Entry into force of the Government decision establishing the Green Energy Transition Commission.

By its Decree No. 86 of 2020, the Council of Ministers established the European Green Deal Advisory Council (EGDAC). In accordance with Article 21 (1) of the Administration Act, the Council of Ministers may establish such councils as permanent advisory bodies to the government, ensuring coordination in the field of executive power, as well as cooperation with other state bodies, local self-government bodies and non-governmental organisations in the definition and implementation of state policy in a given area or on particularly important issues of public interest.

By its Decree No. 108, amending Decree No. 86 of the Council of Ministers of 2020 establishing a European Green Deal Advisory Council (EGDAC), published in the State Gazette No. 41 of 3 June 2022 and entered into force on 3 June 2022, the Council of Ministers restructured the EGDAC and established an Energy Transition Commission (ETC) and other sectoral commissions. Article 6(1) and (2) of the Decree lay down that (i) the ETC is established under the EGDAC and (ii) the ETC is assisting the EGDAC at expert level by discussing models, analyses and drafting decisions relating to the European Green Deal, decarbonisation objectives and climate neutrality.

Since its establishment the ETC has been meeting regularly on a weekly basis. The meetings' agendas, materials and minutes are publicly available on a dedicated web page: [https://saveti.government.bg/web/cc\\_2002/1](https://saveti.government.bg/web/cc_2002/1).

2. The Government Decision gave a mandate to the Green Energy Transition Commission to prepare scenarios and recommendations for a Roadmap to Climate Neutrality including an accelerated phase-out to be completed by 2030, in line with comparable neighbouring Member States.

By its Decree No. 204 published in the State Gazette No. 62 on 5 August 2022 that entered into force on 5 August 2022, the Council of Ministers introduced a new point 3 in Article 6(2) as previously amended by Decree No. 108, which describes the mandate of the ETC.

As required by the Operational Arrangements that further specify the description of the milestone, the Government Decision:

- a) empowers the ETC in Article 6(2)(3) to develop the scenarios and recommendations to be developed, including steps for completing the phase out of coal/lignite as soon as possible and at the latest by 2038;
- b) specifies in Article 6(2)(3) that the ETC is mandated to consider and assess the different scenarios and models available for decarbonisation of Bulgaria's economy and accompanying scenarios considering coal phase-out by 2038 at the latest, including considering scenarios for accelerated coal phase-out by 2030 in line with comparable neighbouring Member States.



3. The Government Decision provides that the Commission is to be set up at expert level with broad involvement of stakeholders to ensure expertise, independence and pluralism.

Article 6(3) of Decree No. 86 as amended by Decree No. 108 stipulates that the composition and activities of the Energy Transition Commission (ETC) are determined by the Rules of Procedure of European Green Deal Advisory Council (EGDAC). Article 8(7) stipulates that each sectorial commission, the ETC included, has a structure and independent activity. Article 5(2) stipulates that each sectorial commission, the ETC included, supports the EDGAC at the expert level.

By Order No P-128/2022, the chair of EGDAG has established the Selection Committee under the EGDAC for the selection of the members of the ETC and the protocol of the meeting of the Selection Committee. An invitation for applications to become a member of the ETC was issued by EGDAC in late June. More than 80 stakeholders responded, out of which 40 stakeholders were selected to participate in the work of the ETC. The selected stakeholders include a wide range of energy experts from trade unions, NGOs, producers, suppliers, business associations, academia and more. Those not selected and other interested stakeholders are allowed to join the meetings of ETC as listeners via WebEx. Considering the variety of stakeholders with pertinent expertise in the energy sector and taking into account the independent activity of the ETC (as stated in Article 5(2)), it is concluded that the requirements of expertise, independence and pluralism have been fulfilled.

4. The Government Decision establishes that the scenario report and the recommendations prepared by the Commission are to be addressed to the Government and are to be made public.

According to Article 6(2)(3) of the Government Decision the scenarios and the recommendations that the ETC is mandated to produce are to be addressed to the Government and the National Assembly and made publicly available at the time that they have been finalised.

5. The work of the ETC is expected to contribute to the timely finalisation of the Territorial Just Transition Plans for the coal regions.

To date, the scenario report and the recommendations of the ETC are still under preparation and the Bulgarian authorities have not yet submitted Territorial Just Transition Plans (TJTPs) in compliance with the requirements of Regulation (EU) 2021/1056 of the European Parliament and of the Council of 24 June 2021 establishing the Just Transition Fund. As indicated in written exchanges with the Bulgarian authorities, the authorities and the chair of the ETC have confirmed that the recommendations made by the ETC will contribute to the timely finalisation of the TJTPs, as the Bulgarian authorities intend to use them in finalising the TJTPs.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 137</b>	<b>Related Measure: C7.R2 Efficient use of the radio frequency spectrum</b>	
Name of the Milestone: Entry into force of the decree on the reduction of spectrum fees		
<b>Qualitative Indicator:</b> Provision in the decree of the Council of Ministers indicating the entry into force of the reduction of spectrum fees		<b>Time:</b> Q1 2021
<b>Context:</b>		
Milestone 137 is part of a reform which aims to address the challenges of 5G readiness and promote the accelerated deployment of 5G networks in the country.		

Milestone 137 requires the reduction of spectrum fees, effective as of 1 January 2021. This includes a reduction of the amount of the one-time fee for radio spectrum use by 50 % and of the annual fee for radio spectrum use by 35%. The reform contains two further milestones, which are linked to the completion of the spectrum assignment in the 26 GHz band (milestone 138, which should be achieved by Q4 2022) and the completion of the assignment of the available spectrum in the 700 MHz and 800 MHz bands (milestone 139, which should be achieved by Q1 2023).

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. A link to the publication in the State Gazette of Decree No. 54 of the Council of Ministers of 27 March 2020 amending and supplementing the Tariff for the fees collected by the Communications Regulation Commission under the Law on Electronic Communications, adopted by Decree No. 374 of the Council of Ministers of 2011.;
3. A link to the consolidated text of the Tariff for the fees collected by the Communications Regulation Commission under the Electronic Communications Act;
4. A reference to the relevant provisions indicating the entry into force of Decree No. 54 of the Council of Ministers of 27 March 2020 amending and supplementing the Tariff for the fees collected by the Communications Regulation Commission and to the provisions which fulfil the relevant elements of the milestone.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. Decree No. 54 entered into force:

Decree No. 54 was adopted by the Council of Ministers on 27 March 2020. In accordance with amendment §8, the Decree entered into force and became effective on 1 January 2021, except for the provisions setting the fees in the 700 MHz band. The latter entered into force on and became effective as of 31 March 2020. The Decree amends and supplements the Tariff for fees levied by the Communications Regulation Commission under the Law on Electronic Communications, as defined in Decree No. 374 of the Council of Ministers of 2011. In accordance with Article 147 of the Law on electronic communications, the amount of the fees, the terms and the method of their payment are determined by the Tariff for the fees collected by the Communications Regulation Commission, adopted by the Council of Ministers based on a proposal of the Commission.

The new Tariff introduced by Decree No. 54 is based on a proposal by the Communications Regulation Commission, following a broad public consultation. It foresees:

- Reduction of (i) one-time and (ii) annual fees in the 800 MHz, 900 MHz, 1800 MHz, 1.5 GHz, 2 GHz, 2.6 GHz and 3.6 GHz frequency bands (with the exception of the annual fee in the 3.6 GHz band);
- Determination for the first time of a one-time and an annual fee for the use of radio frequency spectrum in the 700 MHz band, and to which the reduction is thus not applicable. The fee was nevertheless set at a comparable level with the reduced fees in similar bands such as the 800 MHz band.

2. The Decree establishes the reduction of the one-time fees for the use of the radio spectrum by 50%, as follows:

Reductions have been introduced in all respective frequency bands used for electronic communications services and networks:

- 800 MHz: from BGN 0.24 to BGN 0.12 per 1 Hz and from BGN 240 000 to BGN 120 000 per 1 MHz;
- 900 MHz: from BGN 0.20 to BGN 0.10 per 1 Hz and from BGN 200 000 to BGN 100 000 per 1 MHz;
- 1.5 GHz: from BGN 120 000 per 1 MHz to BGN 40 000 for an occupied frequency band of 1 MHz with national coverage;
- 1800 MHz: from BGN 0.15 to BGN 0.075 per 1 Hz and from BGN 150 000 to BGN 75 000 per 1 MHz;
- 2 GHz: from BGN 0.09 to BGN 0.045 per 1 Hz and from BGN 9 000 to BGN 4 500 per 1 MHz;
- 2.6 GHz: from BGN 200 000 to BGN 110 000 for an occupied frequency band of 1 MHz with national coverage;
- 3.6 GHz: from BGN 80 000 to BGN 40 000 for an occupied frequency band of 1 MHz with national coverage.

Although in one case (2.6 GHz) the reduction for the specific radio frequency was 45% that is slightly less than 50%, in another case (1.5 GHz) the reduction was far greater than 50% (67%). On this basis, when considering the radio spectrum as a whole, the reduction of the one-time fee has been carried out by at least 50% (close to 52% on average).

3. The Decree establishes the reduction of the annual fee for the use of the spectrum by 35%, as follows:

The following reduction has been introduced in the respective frequency bands used for electronic communications services and networks:

- 800 MHz: from BGN 100 000 to BGN 65 000 per 1 MHz;
- 900 MHz: from BGN 100 000 to BGN 65 000 per 1 MHz;
- 1.5 GHz: from BGN 100 000 to BGN 4 000 per 1 MHz;
- 1800 MHz: from BGN 100 000 to BGN 65 000 per 1 MHz;
- 2 GHz: from BGN 100 000 to BGN 65 000 per 1 MHz;
- 2.6 GHz: from BGN 40 000 to BGN 9 000 per 1 MHz.

Only the tariff for the 3.6 GHz band has remained unchanged, as it had already been set at minimal level (BGN 4 000). At the same time, two of the bands benefit from a significantly higher reduction of the annual fee, that is 96% for the 1.5 GHz band and 78% for the 2.6 GHz. On this basis, when considering the radio spectrum as a whole, the reduction of the annual fee has been reduced by at least 35% (close to 40% on average).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 140</b>	<b>Related Measure: C7.R3 Creating a favourable investment environment</b>	
Name of the Milestone: Entry into force of legislative changes implementing recommendations under the Connectivity Toolbox		
Qualitative Indicator: Provision in the Law on spatial planning and in the decision 558 of the Council of Ministers indicating the entry into force of		Time: Q4 2020

legislative changes

**Context:**

The objective of this reform is to create a favourable investment environment in order to foster the deployment of Very High Capacity Networks throughout the country. The reform introduces legislative changes in line with the recommendations of the Common Union Toolbox for Connectivity.

Milestone 140 requires the entry into force of the provisions in the Law on spatial planning and in the Decision No. 558 of the Council of Ministers ensuring that: (i) no building permit is required for maintenance, equipment and/or improvement of elements of the radio transmission systems, as well as their replacement; (ii) free capacity of fibre networks controlled by public sector bodies may be provided for use to commercial operators; (iii) publicly funded infrastructure projects shall by default design construction of protective pipes and cable trunks in a way which shall be open for use by all operators.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. A link to the publication in the State Gazette of the Law amending and supplementing the Law on electronic communications, adopted on 24 February 2021, which introduces amendments in the Law on spatial planning;
3. A link to the publication in the State Gazette of the Law amending and supplementing the Law on spatial planning, adopted on 1 July 2020;
4. A link to the publication on the website of Ministry of Transport and Communications of Decision No. 558 of the Council of Ministers of 6 August 2020 to assign the performance of a review and an analysis of the availability and capacity of electronic communication networks owned by the bodies of the executive power and of the public enterprises in the meaning of Article 2(1) of the Law on public enterprises;
5. A link to the publication of the Report on the performed review and analysis of the availability and capacity of electronic communication networks owned by the bodies of the executive power and of the public enterprises pursuant to Decision No. 558 of 6 August 2020;
6. A link to Protocol No. 74 of the Council of Ministers of 22 December 2020, endorsing the Report on the performed review under Decision No. 558 of 6 August 2020.

The authorities also provided:

7. A link to the functioning Single Information Point platform, in line with the recommendation under the Common Union Toolbox for Connectivity, which consolidates the information on the procedures and regulations governing the deployment and maintenance of infrastructure, including the competent authorities and their respective charges, and ensures access to all available documents for permits and other related acts.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The legislative changes in the Law on spatial planning and Decision No. 558 of the Council of

Ministers have entered into force:

The Law on spatial planning was amended through (i) the Law amending and supplementing the Electronic Communications Act and (ii) the Law amending and supplementing the Law on spatial planning. Amendment §352 of the Law amending and supplementing the Electronic Communications Act, adopted on 24 February 2020 and published in the State Gazette No. 20 of 9 March 2021, entered into force three days after publication, on 13 March 2021 (Article 5(5) of the Constitution of the Republic of Bulgaria and Article 41 of the Law on legislative acts). Amendments §5 and §6 of the Law amending and supplementing the Law on spatial planning, adopted on 1 July 2020 and published in the State Gazette No. 62 of 14 July 2020, entered into force three days after publication, on 18 July 2020.

Decision No. 558 of the Council of Ministers was adopted on 6 August 2020 and entered into force on the same date.

2. The legislative changes ensure that no building permit is required for maintenance, equipment and/or improvement of elements of the radio transmission systems, as well as their replacement, as follows:

The legislative changes concern (i) amendment §352 of the Law amending and supplementing the Law on electronic communications, which amends Article 56(14) of the Law on spatial planning and (ii) amendment §6 of the Law amending and supplementing the Law on spatial planning, introducing a new provision as Article 151(1)(16).

These provisions ensure that, in accordance with the recommendations under the Common Union Toolbox for Connectivity (point 8B), the permit procedures for elements of the radio transmission systems have been streamlined. In particular, pursuant to the amendments of the Law on spatial planning:

- No placing permit is required for small-area wireless access points.
- No building permit is required for the maintenance, equipment of additional equipment and/or improvement of any elements of transceivers, as well as replacement or augmentation thereof by means of installing or dismantling radio transmission system elements, where structural stability is not affected.

3. The legislative changes ensure that free capacity of fiber networks controlled by public sector bodies may be provided for use to commercial operators, as follows:

Decision No. 558 of the Council of Ministers ensures that the free capacity of the fibre networks controlled by public sector bodies may be provided for use to commercial operators. In particular, Decision No. 558 sets up a Working Group which is entrusted with the performance of a review and an analysis of (i) the availability and capacity of the existing electronic communication networks owned by the bodies of the executive power and of the public enterprises and (ii) the possibility for other administrative and commercial operators to use such networks (point 5b of Decision No. 558).

According to the Report on the results of the performed review and analysis, the Law on electronic communication networks and physical infrastructure already sets out the procedure applicable to requests for the use of the electronic communication networks of public sector bodies (Section II of the Report). The procedure takes place using the templates and functionalities under the Single Information Point, whereby the executive power bodies and the public enterprises request and grant access to free dark fibre and bitstream to other public sector bodies and commercial operators (Section V.3 of the Report). The conclusion of the Report is that no legislative changes are required and the implementation of the existing provisions and instruments set out in the Law on

electronic communication networks and physical infrastructure already covers the subjects listed in point 5 of Decision No. 558, that is other administrative bodies and commercial operators, and the possibility to use free capacity of fibre networks of public sector bodies.

In view of the above, Decision No. 558 in conjunction with the Law on the electronic communication networks and physical infrastructure ensures that the free capacity of fibre networks controlled by public sector bodies may be provided for use also to commercial operators.

4. The legislative changes ensure that publicly funded infrastructure projects shall by default design construction of protective pipes and cable trunks in a way that shall be open for use by all operators, as follows:

Decision No. 558 foresees that, during the implementation of infrastructure projects with public funds, requirements shall oblige beneficiaries of funding under Operational Programmes to prepare investment projects involving the construction of protective pipes and cable shafts laid in underground infrastructure, which can be used by all network operators.

In particular, Decision No. 558 entrusts the Working Group with preparing a proposal for amending the Guidelines on Operational Programmes to include texts that create such an obligation for the beneficiaries of funding under these Operational Programmes. The conclusions of the Report, endorsed by Protocol No. 74 of the Council of Ministers, lay down the following requirements:

- Pursuant to point 4 of Section V of the Report, by 15 January 2021, the executive power bodies, which have a Managing Authority responsible for an operational programme within their structure, shall include, in the Guidelines on the Operational Programmes, an obligation on beneficiaries, where possible, to prepare investment projects that include the construction of protective pipes and cable shafts laid in underground infrastructure, which can be used by all network operators. Any deviations from this rule shall be explicitly justified and therefore access to such infrastructure shall be 'by default' granted to all operators.
- Similarly, point 5 of Section V of the Report requests that executive power bodies and the municipal administration introduce the same requirement for projects funded from the national budget.

As a result of (i) the possibility to use the free capacity of fibre networks of public sector bodies and (ii) to access physical infrastructure such as protective pipes and cable shafts built as part of investment projects funded by EU Funds or from the national budget, the rights of commercial operators of accessing existing physical infrastructure have been extended. This therefore provides the possibility to reduce investment costs or to use such infrastructure when the commercial operators have no interest in building it themselves.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 148</b>	<b>Related Measure: C7.I2 Construction, development and optimisation of the digital TETRA system and radio relay network</b>	
Name of the Milestone: Award of contracts for development of TETRA system and radio relay network		
<b>Qualitative Indicator:</b> Communication of awards		<b>Time:</b> Q2 2022
<b>Context:</b>		
The related investment concerns the construction, development and optimisation of the digital TETRA system and radio relay network, which shall be used as a unified radio communication		

system to provide a communication environment for management, interaction and coordination in the Ministry of Interior as well as other government structures responsible for crisis prevention accidents, disasters and national security issues. The action aims to achieve national coverage of the TETRA system of the Ministry of Interior, increase the number of subscribers of the system from all state institutions and improve the capacity and quality of services.

Milestone 148 requires that two public procurement procedures be carried out through an open and competitive tender with the following objects: (i) building, development and optimisation of the digital TETRA system and microwave network managed by the Ministry of Interior needed for its building as a unified radio communication system for providing a communication environment for management, interaction, and coordination of state units, and (ii) delivery of terminal devices and equipment needed for adding 14 000 subscribers from all state institutions to the TETRA network. The investment contains two further targets to be achieved by Q2 2024 and Q4 2024, which are linked to the delivery of end user devices (target 149) and the delivery, installation, integration and putting into operation of new stationary, compact and mobile base stations (target 150).

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Copies and links to the publication in the national Public Procurement Register of award decision No. 5785mpr-114 of 30 September 2022 and award decision No. 5785mpr-94 of 23 August 2022, as notified to the bidders;
3. Extract of the relevant parts of the technical specifications of the project proving alignment with the description of the milestone and links to the full technical specifications published in the national Public Procurement Register;
4. Links to the lists of contractual counterparts under the two public procurement procedures published in the national Public Procurement Register;
5. Copies and links to the publication in the national Public Procurement Register of the reports of the evaluation committees regarding the assessment of the submitted applications under the two public procurement procedures.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The award decision for the procurement procedure for building, development and optimisation of the digital TETRA system and microwave network managed by the Ministry of Interior, was issued on 30 September 2022 and notified to the bidders on the same date, as follows:

On 9 June 2022, an open public procurement procedure for 'Building, development and optimisation of the digital TETRA system and microwave network managed by the Ministry of Interior' (procedure number 00752-2022-0019) was launched. No bids were received within the established deadline for applications of 11 July 2022. The tender procedure was therefore cancelled with a decision of the Contracting authority No. 5785mpr-78 of 15 July 2022.

Following that, an analysis was carried out by the Ministry of Interior on the possible requirements of the procurement documentation which could have had deterrent effect on the bidders. The

technical specifications were revised and some interim deadlines for completion of the activities under the project extended.

A new open public procurement procedure (procedure number 00752-2022-0034) was launched on 24 August 2022 by Tender notice No. 5785opm-34-5785r-24659, published in the national Public Procurement Register. The tender notice was published in the Official Journal of the EU (2022/S 162-460688). The deadline for submission of bids was originally set for 20 September 2022. As only one offer was submitted before the deadline and in view of the complexity of the tender, the deadline was extended to 27 September 2022, to allow more potential bidders to apply. This resulted in the submission of two more offers, thus three offers have been evaluated.

The evaluation committee, set up by an order of the Minister of Interior (No. 5785mpz-116 of 28 September 2022), issued its evaluation report on 30 September 2022. On the basis of the outcome of the evaluation, an award decision was issued by the Minister of interior on 30 September 2022. It was published on the Public Procurement Register and notified to the bidders on the same date, thus fulfilling the indicator of the milestone consisting in the communication of the tender award.

2. The award decision for the procurement procedure for the delivery of terminal devices and equipment was issued on 23 August 2022 and notified to the bidders on the same date, as follows:

An open public procurement procedure (procedure number 00752-2022-0020) was launched on 14 June 2022 by Tender notice No. 5785opm-21-5785r-16850, published in the national Public Procurement Register. The tender notice was also published in the Official Journal of the EU (2022/S 113-317793). The deadline for submission of bids was 11 July 2022, within which one tender was submitted. The evaluation committee, set up by an order of the Minister of Interior (No. 5785mpz-101 of 1 August 2022), issued its report on the evaluation of the received bid on 19 August 2022. The award decision was signed by the Minister of Interior on 23 August 2022. It was published on the Public Procurement Register and notified to the bidder on the same date, thus fulfilling the indicator of the milestone consisting in the communication of the tender award.

3. The two public procurement procedures were carried out through an open and competitive tender, as follows:

Under the Bulgarian Public Procurement Act and in accordance with the European Directive 2014/24/EU, when launching the public procurement processes, the Bulgarian authorities are legally bound by the principles set out in Article 2(1) of the Public Procurement Act: *equality and non-discrimination; free competition; proportionality; and publicity and transparency*. In accordance with the requirements specified in the description of milestone 148 in the Council Implementing Decision, both public procurement procedures were carried out through an 'open procedure', in full compliance with Article 73 of the Bulgarian Public Procurement Act and Article 27(1) of Directive 2014/24/EU on public procurement, concerning the rules on the choice of procedure. The definition of 'open procedure' is provided in Article 18(2) of the Public Procurement Act (which transposes Article 27(1) of the Directive 2014/24/EU) according to which *'open and competitive procedures are the ones where any interested economic operator may submit an offer'*.

Given that the TETRA system of the Ministry of the Interior is currently built with equipment using patented technology, safeguards were included to ensure technical compatibility without limiting competition. For instance, the technical specifications to the public procurement on *'Building, development and optimisation of the digital TETRA system and microwave network managed by the Ministry of Interior'* (Tender notice No. 5785opm-34-5785r-24659) foresee that where specific



standard, specification, technical assessment, technical approval, source, specific process, concrete model, concrete origin or producer, type, trademark, patent is used, the word 'equivalent' is added. This allows the potential bidders to offer different technical solutions and ensures that the public procurement procedure is competitive.

4. The scope of the two public procurement procedure is in line with the constitutive elements of the milestone, as follows:

The public procurement procedure, launched on 9 June 2022 and re-launched on 24 August 2022, concerns the building, development and optimisation of the digital TETRA system and microwave network managed by the Ministry of Interior. As set out in the technical specifications, the project aims at extending the coverage of the unified radio communication system based on the TETRA standard and providing secure and reliable communication for the management, interaction and coordination of units of the Ministry of Interior. The public procurement procedure, launched on 14 June 2022, concerns the delivery of terminal devices and equipment needed for adding 14 000 subscribers from all state institutions to the TETRA network.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 161</b>	<b>Related Measure: C8.R1 Strategic transport framework</b>	
Name of the Milestone: Entry into force of the National Plan for the Development of Combined Transport in Bulgaria by 2030		
<b>Qualitative Indicator:</b> Entry into force the plan via approval of the government		<b>Time:</b> Q2 2022
<b>Context:</b>		
<p>The objective of the reform is to enhance the sustainability of the transport sector in Bulgaria. This goal should be achieved through the update of the national strategic transport framework, in line with the National Development Programme Bulgaria 2030. Under the reform, the National Plan for the Development of Combined Transport in Bulgaria until 2030, which is part of the national strategic transport framework, should be updated.</p> <p>Milestone 161 requires the entry into force of the National Plan for the Development of Combined Transport in Bulgaria by 2030 ('the Plan'), which aims to encourage and facilitate a modal shift towards more sustainable and less polluting modes of transport, such as rail, inland waterway and maritime. Milestone 161 is part of Reform 1 on the Strategic Transport framework (covering intermodal, railways and roads transport) under Component 8 on the Sustainable Transport. Milestone 161 lays ground for the successful fulfilment of milestones and targets 162 to 168 forming part of the same reform, to be completed by Q1 2026.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>2. Copy of the adopted National Plan for the Development of Combined Transport in Bulgaria by 2030, including objectives, resources and timeline until 2030 (Annex I).</li> <li>3. Copy of the Council of Ministers Decision number 504 of 21 July 2022, confirming the adoption of the National Plan (Annex II).</li> <li>4. Print screen with the link to the website where the plan can be accessed.</li> </ol>		

## Analysis:

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The National Plan for the Development of Combined Transport in Bulgaria by 2030 entered into force via approval by the Council of Ministers, as follows:

According to the requirements of the milestone and in line with Article 6(3), of the Organizational Rules of the Council of Ministers, the Council of Ministers adopted on 21 July 2022 Decision No. 504 adopting the National Plan for the Development of Combined Transport in Bulgaria by 2030. The National Plan entered into force on the day of its adoption that is on 21 July 2022.

2. The National Plan for the Development of Combined Transport in Bulgaria by 2030 encourages and facilitates modal shift towards more environmentally friendly modes of transport — rail, inland waterway and maritime. It does so by outlining targeted measures and objectives to promote more sustainable and less polluting transport, as follows:

To encourage and facilitate modal shift towards more environmentally friendly modes of transport, the Plan defines a comprehensive implementation programme with concrete objectives as well as a package of targeted measures to promote more sustainable and less polluting transport: (i) organisational and administrative measures, (ii) operational measures and service facilitation, and (iii) infrastructure measures.

The Plan specifies five concrete objectives (page 92) to achieve:

- Objective 1: Improvement of the regulatory framework for combined transport;
- Objective 2: Putting in place a mechanism for coordination and interaction between all stakeholders and enhancing their administrative capacity;
- Objective 3: Introduction of an integrated information system for combined transport;
- Objective 4: Provision of services to improve the operation of combined transport;
- Objective 5: Construction of new intermodal terminals and upgrading of existing intermodal terminals.

Those objectives shall be achieved through a set of targeted measures, such as:

(i) Organisational and administrative measures. The measures to be taken involve:

- *Establishment of a Coordinating Body/Advisory Council for the Development of Combined Transport under the Minister of Transport and Communications (Section VII, Chapter 2, pages 47 – 48).* This measure allows to streamline and better coordinate the actions taken in the framework of the National Combined Transport Development Plan through a unique coordinating body in charge of the implementation, monitoring of the Plan and contacts with the stakeholders involved. The measure shall start by the end of 2022, with the intention for the body to function on the permanent basis. This measure aims to achieve objective 2.
- *Increasing the administrative capacity in the transport sector in areas related to the development of combined transport (Section VII, Chapter 2, pages 48 – 51).* The implementation activities includes assessment of the administrative capacity and training needs in the field of engineering and technology for the development of combined transport; organisation of seminars/trainings and field visits to EU countries on the topics relevant for the administration; preparation of manuals for applying for funding, and management of projects for the development of combined transport through the implementation of financial

instruments. The role of the assessment part is to help the authorities to identify the gaps and the needs for potential trainings and education activities. The main goal of these activities is to counter the insufficient individual administrative capacity to make the best use of the available financial instruments, grants and state aid to implement the National Plan for the Development of Combined Transport. The timeline of the measure is end of 2023 and the budget planned amounts of EUR 1 500 000. This measure aims to achieve objective 2.

- *Improving the legislation in the field of combined transport (Section VII, Chapter 2, pages 51 – 53).* The measure consists of carrying out activities relating to the preparation of proposals and the adoption of amendments to the Bulgarian legislation in the field of combined transport aimed at stimulating its development. The amendments are intended to address, at national level, the legal framework for the secondary EU legislation in the field of transport, including combined transport, and the improvement of national legislation favouring the development of combined transport. Consequently, they aim at absorbing into the Bulgarian legal system the EU secondary legislation, namely on rail and road transports, roads and maritime Spaces, Inland Waterways and ports in Bulgaria and the Merchant Shipping Code for rail transport. The timeline indicated for the start of the measure is end of 2022. This measure aims to achieve objective 1.

(ii) Operational measures and service facilitation. The measures to be taken under the National Plan involve:

- *Conducting a research study on international connections for combined transport (Section VII, Chapter 3, pages 53 – 54).* The timeline of the measure is until the end of 2024 and the budget planned amounts to EUR 500 000. This measure aims to achieve objective 4.
- *Integration of information systems for cargo handling, communication technologies and intelligent transport systems (Section VII, Chapter 3, pages 54 – 56).* The main implementation activities include, inter alia, the establishment of a combined transport information portal and integration of an intermodal information system. In this manner, the measures contribute to improving access to key information for transport users. The planned budget amounts to EUR 2 000 000. This measure aims to achieve objective 3.
- *Supply of intermodal transport units and rolling stock for transport of intermodal transport units (Section VII, Chapter 3, pages 56 – 59).* The measure consists of actions to support transport operators and carriers to provide intermodal transport units and rolling stock for intermodal transport units for combined transport. The analysis of the stakeholders' needs and the means to be used to address them makes it possible to address the issue of the shortage of specialised rolling stock, which is the aim of this measure. The timeline is foreseen until the end of 2025 and the planned budget amounts of EUR 35 000 000 for supply. This measure aims to achieve objective 4.
- *Commissioning of block trains for freight along the directions Varna - Gorna Oryahovitsa - Sofia and Burgas - Plovdiv – Sofia (Section VII, Chapter 3, pages 59 – 62).* The main implementation activities include: preparation of traffic forecasts for a 30-year period in both segments; assessment of stakeholders' views on the commissioning of block trains; establishment of a performance scheme for the placing in service of block trains; creation of business plans for each direction and defining an optimal financial scheme for the commissioning of block trains; setting up of a competition for the selection of operators for the operation of block trains in these segments. The aim of the measure is to facilitate the rail transport, according to the needs specified. The preparatory stage is scheduled to finish by the end of 2025, while the implementation of financial support will take place after 2027 (linked to the MFF programming period). The preparatory stage is budgeted for EUR 1 000 000. As for the implementation, the measure is intended to be implemented after 2027 with European funding from the 2028-2034 programming period. This measure aims to achieve

objective 4.

- *Partial reimbursement of trans-shipment costs when using combined transport (Section VII, Chapter 3, pages 62 – 63).* The measure aims to promote a modal shift towards combined transport by partially compensating the costs of transshipment, making combined transport more accessible and competitive. The measure will finance up to 30 % of the costs of trans-freight operations between sea and rail and between road and rail, provided that the section by rail exceeds 80 km. This measure aims to limit the costs of combined transport for the users and is planned for after 2027.

(iii) Infrastructure measures. The measures to be taken involve:

- *Construction of an intermodal terminal in the region of Sofia (Section VII, Chapter 4, pages 64 – 67).* The measure addresses the issue of a lack of such terminal in Sofia, which shall also have a positive impact on the use of the sustainable transport in the areas of the capital. The budget amounts of EUR 25 000 000 and the timeline foreseen is the end of 2025. This measure aims to achieve objective 5.
- *Construction of an intermodal terminal in Northern Bulgaria (Section VII, Chapter 4, pages 67 – 71).* The measure addresses the issue of a lack of such terminal in the Northern Bulgaria, which shall also have a positive impact on the use of the sustainable transport in this part of the country. The budget amounts of EUR 20 000 000 and the timeline foreseen is the end of 2026. This measure aims to achieve objective 5.
- *Modernisation and development of existing terminals in Bulgaria (Section VII, Chapter 4, pages 71 – 76).* The measure covers the following terminals: Burgas West, Port Bulgaria West, Burgas (Dolna Ezerovo), Varna West, Lesport, Ruse Iztok, Svishtov, Lom, Vidin, Villuyak, Stara Zagora, Dimitrovgrad, IMT Plovdiv. It will include the construction of the necessary infrastructure and the modernisation of the existing infrastructure, facilities and equipment at existing terminals. The measure is budgeted for EUR 50 000 000 and scheduled to finish by the end of 2025. The measure addresses the issue of the lack of necessary facilities for the combined transport as well as the obsolete equipment in some of the existing terminals. The measure will be preceded by a pre-construction phase scheduled to finish by the end of 2023. This measure aims to achieve the objective 5.
- *Construction of logistics centres and freight villages (Section VII, Chapter 4, pages 76 – 78);* The measure is budgeted for EUR 30 000 000 and scheduled to finish by the end of 2027. The measure is preceded by a pre-investment study scheduled to finish by the end of 2024. Its purpose is to facilitate the use of the more sustainable and less polluting means of transport by creating the necessary logistic centers and freight villages that can be used for this purpose. This measure aims to achieve objective 5.
- *Improving the rail infrastructure leading to port and road-rail terminals and logistics centres (Section VII, Chapter 4, pages 78 – 80);* The measure consists of carrying out repairs, maintenance and, where necessary, modernisation and/or road terminals and logistic centres in Bulgaria. The measure will start by the end of 2022 and is budgeted for EUR 1 000 000 until 2025 and EUR 1 200 000 until 2030. The constant maintenance and improvement of the infrastructure shall facilitate the use of the more sustainable and less-polluting transport (railway). This measure aims to achieve objective 5.

The measures of the Action Plan are targeted to stimulate transport companies to use more actively environmental-friendly transport modes such as rail, inland waterways and maritime, in their transport and logistic chains and thus the sustainability and efficiency of the transport system will be improved. This will be for instance achieved through the construction of an intermodal terminal in the region of Sofia and a terminal in Northern Bulgaria, construction of logistics centres as well as freight villages, improvement of the rail infrastructure leading to port and road-rail terminals and

logistics centres. In addition, partial reimbursement of trans-shipment costs when using combined transport shall also encourage the stakeholders to shift to the less-polluting means of transport (especially with the conditionality that at least 80km of the transport need to take place by rail). Furthermore, by enhancing the administrative capacity and improving the regulatory framework, Bulgaria shall create a stimulating environment for the development of those modes of transport.

3. The National Plan for the Development of Combined Transport in Bulgaria by 2030 presents a clear action plan including resources and timeline until 2030, as follows:

Finally, in accordance with the description of the milestone, the Plan's 'implementation programme' defines the specific timeline and financial resources until 2030 for the implementation of the measures through the support of the Programme "Transport Connectivity" 2021-2027 (PTC 2021-2027), CEF, national financing, financial instruments, private financing. The concrete timeline for each measure is specified in Section VII, Chapter 5 'Implementation Programme', pages 81-84 of the Plan. For example, the deadlines for the construction of an intermodal terminal in the region of Sofia is set to be finalised by the end of 2025 and for the intermodal terminal in Northern Bulgaria by the end of 2026. In addition, the budget for the implementation of the Plan is specified in Section VII, Chapter 6, table 6, and pages 85 to 90 of the Plan.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 169</b>	<b>Related Measure: C8.R2 Road safety</b>
Name of the Milestone: New road safety strategy and its action plan	
<b>Qualitative Indicator:</b> Adoption by the government	<b>Time:</b> Q4 2020
<p><b>Context:</b></p> <p>Milestone 169 is part of Reform 2 under the Sustainable Transport component, which aims at improving road safety in Bulgaria as well as reducing the number of victims of road accidents, especially in the context of Bulgaria showing the highest rate of road accident fatalities in the EU. The reform should influence the behaviour of the road users as well as increase the enforcement of the existing legal framework in that field. It should also result in the removal of road safety blackspots/hotspots and is expected to noticeably reduce the annual deaths and serious injuries from road safety accidents. The reform is aimed to finish in Q1 2026.</p> <p>Milestone 169 requires the adoption of the National Strategy for road safety in the Republic of Bulgaria for the period 2021-2030 and the Action Plan (2021-2023). These instruments are expected to pave the way to the successful achievement of Reform 2 together with milestone 170 concerning its implementation (which should be completed by Q2 2023) and targets 171 and 172 (which should be completed by Q1 2026).</p>	
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.</li> <li>2. Copy of Council of Ministers Resolution No 775/26 October 2020 adopting the National Strategy for road safety in the Republic of Bulgaria for the period 2021-2030 and its Action Plan (2021-2023).</li> <li>3. Copy of the adopted National Strategy for road safety in the Republic of Bulgaria for the</li> </ol>	

period 2021-2030.

4. Copy of the Action Plan (2021-2023).
5. Print screen with the link to the website where the National Strategy for road safety in the Republic of Bulgaria for the period 2021-2030 and its Action Plan (2021-2023) can be accessed.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The National Strategy for road safety in the Republic of Bulgaria for the period 2021-2030 and Action Plan (2021-2023) entered into force:

The Council of Ministers adopted on 26 October 2020 Decision 775 adopting the Strategy and its Action plan. The Decision: (i) adopts the National Strategy on Road Safety in the Republic of Bulgaria 2021-2030 and its Action Plan 2021-2023; (ii) assigns to the relevant competent authorities at national, regional and municipal level the implementation and reporting duties of the measures under the Action Plan; (iii) instructs the Chairman of the State Road Safety Agency to coordinate and monitor the implementation and reporting of the measures of the National Strategy and the Action Plan; (iv) instructs the Chairman of the State Road Safety Agency to report on the annual implementation of the National Strategy and the Plan to the Council of Ministers by 31 March of each year. The National Strategy and the Action Plan entered into force on 1 January 2021.

2. The new road safety strategy includes the following objectives:

- a) reduction of deaths and serious injuries due to road accidents of 50% by 2030 vs the 2019 baseline, in line with EU Road Strategy Framework and vision Zero

As required by the milestone, the National Strategy on Road Safety aims to reduce by 50% the annual number of deaths and serious injuries by 2030 as it states :

‘in 2019, the European Commission announced a new target of halving road fatalities and serious injuries by 2030 compared to 2020. In order to achieve this new EU-wide objective, the national policy of the Republic of Bulgaria in the area of budget support requires the commitment of an increasing public resource to effectively counter road traumatism. (...) The European policy context and the current Strategy aim to halve the annual number of deaths and serious injuries by 2030’ (page 11 of the National Strategy on Road Safety). ‘

The ‘EU Road Safety Policy Framework 2021-2030’ from 19 June 2019 (SWD (2019) 283), establishes 2020 as the baseline year. However, the High Level Group on Road Safety from 22 March 2021 recognised that 2020 would not be an appropriate reference year and agreed on defining 2019 as the new baseline. The National Strategy on this point is therefore in line with EU Road Strategy Framework and vision Zero.

- b) integrated management of all road safety issues - in-depth coordination of relevant institutions and enhancement on administrative capacity for road safety management (based on studies, analysis, needs assessment, prioritisation and planning, monitoring, evaluation and reporting)

Up until the establishment of the State Agency ‘Road Safety’ in February 2019, regions and municipalities developed and implemented their own measures, which were not necessarily aligned with national policies. However, through an amendment of the road traffic act adopted by the

Bulgarian Parliament in 2021, the State Agency 'Road Safety' has become the main coordinator of the relevant institutions, managing the regional road safety committee (which includes 28 Nomenclature of Territorial Units for Statistics level 3 regions), as well as the cities and municipalities road safety committees, in an effort to ensure an integrated multi-level management and effective implementation of national priorities. Section 2.2.1 of the National Strategy lists the following objectives for the State Agency 'Road Safety' :

- implement an integrated system for planning, implementing, monitoring and evaluating government policy under budget support within a single strategic framework;
- improve coordination and enhance interaction between institutions in the implementation of the road safety policy;
- data collection and processing methodologies for traffic accidents and road safety;
- increase of the capacity of civil servants in the implementation of budget support policy.

These objectives are then detailed in the Action Plan (2021-2023), which includes several strands contributing to the fulfilment of this element of the milestone, particularly thematic strand 1 'Integrated Governance' and its objectives '1.1. Implement an integrated system for planning, implementing, reporting, monitoring and evaluating government policy under budget support within a single strategic framework', '1.2. Improving coordination and enhancing the interaction between institutions in the implementation of public policy in the field', '1.4. Effectiveness of data collection and processing methodologies' and '1.6. Increase the capacity of staff in the public administration to implement budget support policy'. The National Strategy's objectives are pursued with actions clearly defined in the Action Plan, including the annual update of the Action plan 2021-2023 (1.1.3, page 7), drafting of annual regional and municipal road safety programs (1.1.4 and 1.1.5, page 7), reporting to the Council of Ministers of the annual road safety measures implementation at all levels (1.1.11, page 9), monitoring and evaluation of road safety state policy implementation (1.1.12, page 9), increasing the administrative capacity of authorities to manage, coordinate and control in the event of road accidents occurring with injured or complicated road situations (1.2.11, page 16).

c) social responsibility and changes in the behaviour of road users

As required by the milestone, both the National Strategy and the Action Plan include as objectives measures related to the behaviour of road users, which are addressed in section 2.2.2 of the National Strategy (page 120) and in thematic pillar 2 of the Action Plan.

Section 2.2.2 of the National Strategy lists four main objectives:

- Prevention of risks to children's health and life when interacting with the road system as road users;
- Preparation and training of drivers on responsible behaviour and the safe management of vehicles;
- Increase public sensitivity to the topic of road safety;
- Development of a socially responsible organisational culture for road safety;

Additionally, measures 2.1.1, 2.2.1 and 2.2.2 of the Action Plan 2021-2023 aim at integrating the life-long learning principle in the field of road safety, with actions targeting preschool and school education up to further learning for licensed drivers. In addition, these measures include the organization and implementation of preventive campaigns to protect the life and health of drivers of public transport with an emphasis on speeding, driving under the use of alcohol, use of protective equipment, technical condition of motor vehicles and behaviour of vulnerable road users.

d) support on the law enforcement, effective prevention of road safety rules violation, and increase of sanctions for road safety offences

The National Strategy (chapter 2.2.3, page 122) and the Action Plan (thematic pillar 3) address this specific objective. Section 2.2.3 of the National Strategy includes the following objectives:

- Improvement of material and technical resources of the Ministry of Internal Affairs to enforce compliance with the traffic regulations;
- Optimisation of the means of enforcement of road traffic rules by the Ministry of the Interior;
- Administrative effectiveness and efficiency of the penal process to achieve the preventive function of the sanction;
- Improving the procedures for collecting, processing and analysing traffic accident data.

In addition, the Action Plan addresses this objective in subsections '3.1. Improving the material, technical and resource provision of the Ministry of the Interior to comply with road traffic rules and carry out rescue activities', '3.2. Optimisation of the means of enforcement by the Ministry of the Interior for compliance with road traffic rules' and '3.3. Effectiveness and efficiency of the administrative penalty in achieving the preventive function of the penalty'.

These measures and actions combined have a two-folded impact. First, by supporting a more effective enforcement, which contributes to an increase in the overall number of sanctions for road safety offences through the implementation of an additional set of elements, such as personnel for traffic control, technical devices for speed, alcohol and drugs control, traffic control vehicles and traffic control checks. Second, by implementing a deterrent effect on drivers that can contribute to prevent the violation of road safety rules and increase prevention.

e) increase of vehicle safety

This objective is addressed on section 2.2.5, p. 126 of the National Strategy, by:

- Development of a comprehensive state policy to renew the vehicle fleet in Bulgaria;
- Integration of the technical condition of road vehicles in the overall report and analysis of road accidents;
- Increase the efficiency of the control activity related to vehicle fleet;
- Improve the safety of the transport of passengers and dangerous goods.

Measures in the thematic pillar 5 of the Action Plan also contribute to this objective. Measure 5.1.4 for example aims at encouraging the use of safe and environmentally friendly cars for use by individuals and legal entities. This is expected to be achieved by incentives for the purchase of safe and zero-emission/low-emission cars, including cars equipped with road accident prevention systems and real-time road infrastructure monitoring systems.

f) protection of vulnerable road users, such as pedestrians and cyclists

Section 2.2.4 of the National Strategy (page 124) and thematic pillar 4 of the Action Plan address the protection of vulnerable road users, such as pedestrians and cyclists. The Strategy lists three main objectives:

- Integration of road safety into road infrastructure management at national, regional and municipal level to effectively limit the negative effects of the transport sector;
- Development of human error tolerant national routes that ensure universal mobility in a 'safe system' approach;
- Development of low-conflict municipal road and street infrastructure with clear messages



to road users and protection from urban risks.

Examples of measures included in the Action Plan are the development of new legislation to reflect the requirements for ensuring sustainable and safe road infrastructure (4.1.1, page 47), implementation of measures in road sections with the highest risk of road accidents and/or highest potential of reduction of road accidents risk (4.1.11, page 50), identification, signalization, protection and monitoring of road safety blackspots/hotspots (4.2.7, page 57), prioritization in elaboration, discussion, adoption and implementation of municipal investment programs for construction and maintenance of municipal and street-road networks based on survey, analysis and assessment of the aspect of safety (4.3.1, page 59) and protection of vulnerable road users, aimed at implementation of measures such as construction of sidewalks, road bumps, bike lanes and crash barriers (4.3.17, page 66).

g) improvement on the after road traffic accident injury response

Regarding the objective of the improvement on the after road traffic accident injury response, section 2.2.6 of the National Strategy (page 128) and thematic pillar 6 of the Action Plan focus on the post-accident response. The National Strategy specifies three objectives:

- Objective reporting of road traffic traumatism statistics on the basis of uniform criteria for assessing the severity of trauma;
- Improve communication between components of a single rescue system;
- Improve team response organisation in the single rescue system.

Examples provided in the Action Plan include the elaboration and implementation of a framework plan and operational protocol procedures for the post-crash reaction for all teams in the rescue chain, including traffic police, fire-fighting services, Road Infrastructure Agency teams, regional and local authorities' teams. Measure 6.3.3 aims at the opening of new branches of emergency medical assistance and mobile emergency medical teams to remote settlements which will improve the coverage of the emergency medical care.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 199</b>	<b>Related Measure: C8.I6 Sofia metro line 3</b>
Name of the Milestone: Contracts on the construction of new sections of line 3 of Sofia metro following open and competitive tender	
<b>Qualitative Indicator:</b> Signature of contracts on the construction works	<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The related investment refers to the construction of a section of line number 3 of the Sofia metro for a total length of three km and with three metro stations. The investment is expected to provide a clean, rapid and efficient public transport service to passengers. It has been estimated that the investment shall allow the transport of 7.6 million passengers per year on average as of 2026 and shall lead to a reduction in greenhouse gases and air pollution in the city, in the number of cars in circulation in the city and to enhance the public transport for Sofia's inhabitants.</p> <p>Under this measure, Milestone 199 will be followed by targets 200 and 201 connected to Investment 6, Sofia metro line 3. The fulfilment of milestone 199 lays the ground for the successful fulfilment of the investment, through the signature of the contracts for the construction of three km of lines and three stations on the new metro line nr. 3 section Hadzhi Dimitar – Levski.</p>	
<b>Evidence provided:</b>	

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled.
2. Copy and link to the publication of the tenders on the website of the Sofia Metropolitan
3. Also available at the national Public Procurement Agency portal (AOP): [https://www.aop.bg/case2.php?mode=show\\_case&case\\_id=376864](https://www.aop.bg/case2.php?mode=show_case&case_id=376864) and [https://www.aop.bg/case2.php?mode=show\\_case&case\\_id=381801](https://www.aop.bg/case2.php?mode=show_case&case_id=381801) displaying eligibility and award criteria, as well as the evaluation methodology to be applied for the selection of the successful bids.
4. Copy of the contract No. 288 signed on 15 November 2021 between Metropolitan JSC and "HSS-MONOLITH SOFIA" DZZD for the First Separate Position (Annex 2.1).
5. Copy of the contract No. 252 signed on 21 October 2021 between Metropolitan JSC and "TRACE GROUP HOLD" AD for the Second Separate Position (Annex 2.2).
6. Copy of the contract No. 253 signed on 21 October 2021 between Metropolitan JSC and "J.P. GROUP" AD for the Third Separate (Annex 2.3).
7. Copy of the contract No. 234 signed on 29 September 2021 between Metropolitan JSC and DZZD 'SIMENS MOBILITIES' for the Fourth Separate Position (Annex 2.4).
8. Copy of the contract No. 236 signed on 30 September 2021 between Metropolitan JSC and MetroConsult BG EOOD (Annex 2) for the supervision part of the works.
9. Copy of the report of 24 November 2020 by the committee for the examination and evaluation of tenders submitted in an open procedure under the Public Procurement Act (ZOP) (Report on the execution of construction supervision and engineering functions), justifying the choice of the winning bidder (Annex 3).
10. Copy of the examination and evaluation reports on tender offers submitted in an open procedure under the Public Procurement Act (ZOP) for the award of a public contract for the design and construction of the extension of the line 3 of Sofia metro, Stage III on the engineering part (design, construction, installation and equipment): report from 20 November 2020 for the choice of the winning bidders of all the lots of the tender and report from 10 May 2021 for the choice of the winning bidder the first lot, which has been appealed.

The authorities also provided:

11. Train description with specification of the rolling stock which shall be used during the operation of the project.
12. Study on the transport modelling of passengers' load of the Third metro line section from MS Hadzhi Dimitar to MS Levski G (three stations) and from Orlov Most to Sveta Anna Hospital (six stations). Forecasts 2030 and 2040.

#### **Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

According to the explanation provided by the Bulgarian authorities in the Summary document, for the implementation of the project including construction and commissioning of the three km section of line 3 of Sofia metro and three metro stations the contracts were divided into an engineering part (including design, construction, installation and equipment) and a supervision part.

1. Open, public and competitive tenders were organised, as follows:

The contracts for line 3 of the Sofia metro were selected under two tenders launched by

Metropolitan Sofia (Metropoliten' JSC, i.e. the contracting authority) and published on the website of the Sofia Metropolitan and on the Public Procurement Agency portal:

- a) For the construction: Tender Notice number M-5438 of 18 December 2019;
- b) For the engineering: Tender Notice number M-2078 of 8 June 2020.

Under the Bulgarian Public Procurement Act and in accordance with the European Directive 2014/24/EU, when launching the public procurement processes, the Bulgarian authorities are legally bound by the principles set out in Article 2(1) of the Public Procurement Act: *equality and non-discrimination; free competition; proportionality; and publicity and transparency.*

As specified by the Bulgarian authorities in the summary document and in accordance with the requirements specified in the description of milestone 199 in the CID Annex, Metropolitan Sofia chose the 'open procedure' process for the tenders. The definition of 'open procedure' is provided in Article 18(2) of the Public Procurement Act (which transposes Article 27(1) of the Directive 2014/24/EU) according to which '*open and competitive procedures are the ones where any interested economic operator may submit an offer*'. Bulgaria has informed that an open procedure was followed in accordance with the applicable national and Union law.

The two tenders were conducted as follows, with clear indication of the eligibility and evaluation and award criteria:

*a) First public procurement on engineering (design, construction, installation and equipment): Tender Notice number M-5438 of 18 December 2019*

The construction of three km of metro lines and three metro stations was divided into 4 lots (separate positions) for which separate contracts were signed. The eligibility and award criteria are presented in the Section III (Legal, Economic, Financial and Technical Information) of the Tender notice. The evaluation criteria for the selection of the successful bids have been presented in 'Annex 1.1.1 Methodology for evaluation of offers for specific items No. 1, 2, and 3' and in 'Annex 1.1.2 Methodology for evaluation of bids under specific item No. 4' - links to which have been provided by the Bulgarian authorities in the summary document.

*b) Second public procurement on engineering (supervision): Tender Notice number M-2078 of 8 June 2020*

The eligibility and award criteria are presented at Section III (Legal, Economic, Financial and Technical Information) of the Tender notice and Documentation – instructions, link to which has been provided in the summary document. The tender specified that the key award criterion was price (section II.2.5 award criteria of Tender Notice ex. No. M-2078 of 8 June 2020).

Both tenders can be considered as competitive. The eligibility criteria allowed a wide range of economic operators to participate in the tender. This is confirmed by the number of bids submitted by different economic operators. Relevant evidence is provided in the reports prepared by the committee for the examination and evaluation of tenders and further confirms that the tenders were open and used clear criteria.

Indeed, the first tender was confirmed as properly conducted by the report from 20 November 2020 for the choice of the winning bidders. The latter concluded that the eligibility and award criteria were clearly presented (MEAT award: most economically advantageous tender) together with the evaluation criteria for the selection of the successful bids, as mentioned above. It further indicated that 11 bids were received and assessed for this tender.

For the second tender on supervision, the quality of the tender was also confirmed by the committee for the examination and evaluation of tenders through the report of 24 November 2020.

It confirmed that the eligibility and award criteria are included in Section III of the tender notice and that the tender specified that price was the key award criterion (section II.2.5 award criteria of Tender Notice ex. No. M-2078 of 8 June 2020). The report also indicated that 4 bids were received and assessed.

All the evidence mentioned here-above allows to consider the tender procedures as open, public and competitive and therefore in accordance with the requirements of the CID annex.

2. The contracts were signed for the construction of 3 km of metro lines and 3 stations on the new line section Hadzhi Dimitar – Levski, as follows:

The engineering part consists of three contracts signed for constructions of each metro station and part of the tunnel (contract number 288 of 15 November 2021; contract number 252 of 21 October 2021; contract number 253 of 21 October 2021) and one contract (number 234 of 29 September 2021) signed for traffic control and management systems, communications and platform screen doors.

A separate contract (number 236 of 30 September 2021) was signed with an engineer consultant (supervision) for the management and control of the engineering contracts.

The responsible authorities signed the contracts relevant for the construction of 3 km of metro lines (from km 1 + 280.00 to km. 4 + 340.00) and 3 metro stations (MC2, MC3, MC4). The authorities have provided copies of those documents:

a) Contracts following the first public procurement on engineering (design, construction, installation and equipment):

Pursuant to Decision No. RD 12-361/ 24 November 2020 and Decision No. RD12-134 of 10 May 2021 by the Executive Director of Metroliten JSC and on the basis of the Bulgarian Public Procurement Act, four contracts for design and construction of the metro extension in Sofia line 3 were signed:

- **First separate position (first lot).** Contract for design and construction of site: Sofia metro line 3, stage III - First separate position, metro section from km 2 + 581.20 to km 1 + 280.00 with one underground metro station (MC2), inter-station ventilation system (VU) and turning section.  
The Contract No. 288 signed on 15 November 2021 between Metroliten JSC and "HSS-MONOLITH SOFIA" DZZD amounting to BGN 62 999 984.54. The contract is effective from 12 January 2022 (Annex 2.1);
- **Second separate position (second lot).** Contract for design and construction of a Sofia metro line 3, section from km.3 + 645.00 to km.2 + 581.20 with one underground metro station / MC3 / and inter-station ventilation system /VU/;  
The contract No. 252 signed on 21 October 2021 between Metroliten JSC and 'TRACE GROUP HOLD' AD amounting to BGN 75 081 394.50. The contract is effective from 12 January 2022 (Annex 2.2);
- **Third separate position (third lot).** Contract for design and construction of Sofia metro line 3, section from km. 4 + 340.00 to km.3 + 645.00 with one underground metro station /MC4/;  
The contract No. 253 signed on 21 October 2021 between Metroliten JSC and "J.P. GROUP" AD, amounting to BGN 48 180 061.30. The contract is effective from 12 January 2022 (Annex 2.3);
- **Fourth separate position (fourth lot).** Contract for design and construction of Sofia metro line 3, section from km.4 + 340.00 to km.1 + 280.00 with three underground metro stations /MC2, MC3 and MC4/ and turning section: Train traffic control and management systems, communications and platform screen doors;

The Contract No. 234 signed on 29 September 2021 between Metropolitan JSC and DZZD 'SIEMENS MOBILITIES' amounting to BGN 29 923 976.04. The contract is effective from 12 January 2022 (Annex 2.4).

b) Contracts following the second public procurement on engineering (supervision):

Supervision works. Contract No. 236 signed on 30 September 2021 between Metropolitan JSC and MetroConsult BG EOOD (Annex 2).

The contract for the implementation of construction supervision and functions of an engineer consultant for the site of the metro extension in Sofia (Line 3) was signed pursuant to Decision No. RD 12-367/ 26 November 2020 by the Executive Director of Metropolitan JSC and based on the Bulgarian Public Procurement Act.

3. The contracts provide for a clean urban transport infrastructure for the operation of zero-emission rolling stock(exclusively used by zero-emission rolling stock), as follows:

The aim of this measure is to enhance the clean urban transport infrastructure for the operation of zero-emission rolling stock, thus that infrastructure shall exclusively be used by zero-emission rolling stock. As specified in the summary document shared by the Bulgarian authorities, all systems used for the operation and management of the new section of Line 3 of Sofia metro shall be fully compatible with the already existing sections of the same line and shall use the same rolling stock. As specified by the Bulgarian authorities in the summary document, the rolling stock for the project was delivered in 2021 (the rolling stock is not covered by the scope of the milestone 199). It is a new generation rolling stock with electric power supply by overhead current connection with zero-emissions. The requirements for the type of power supply are set in the Technical specifications of the train (Annex 4, Train Description. Technical data, page 19).

The traction system operates at a nominal voltage of 1500V DC (p. 62: <https://metropolitan.nit.bg/assets/resourcedocuments/3463/%D0%A2%D0%9E%D0%9C%201%D0%90.pdf>).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 207</b>	<b>Related Measure: C9.R1 A new regional approach with the direct involvement of local communities in the management of European funds and instruments</b>	
Name of the Milestone: Amendments to the regulatory framework regarding management of EU funding		
<b>Qualitative Indicator:</b> Entry into force of the amendments to the Financial Resources Management of the European Structural and Investment Funds Act		<b>Time:</b> Q2 2022
<b>Context:</b>		
<p>The objective of the reform is to promote the direct involvement of local communities in the management of EU funds. This aims to boost the sense of ownership at local level and to increase policy effectiveness by addressing locally identified needs in a more targeted way. The measure consists of legislative changes strengthening the role of regional and local authorities in the preparation and implementation of integrated territorial strategies and projects financed with EU funds.</p> <p>This is the only milestone covering this reform. It consists of amendments to the Financial Resources Management of the European Structural and Investment Funds (FRMESIF) Act to enhance the direct involvement of the regional and local level in the management of EU funds.</p>		

Under this revised legal framework, the Regional Development Councils (which include representatives of the regional and local authorities) shall function as territorial bodies responsible for the implementation of strategic documents at regional planning level and for the preselection of projects to be financed with EU funds at local level on the basis of integrated territorial development strategies.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone was satisfactorily fulfilled.
2. Copy of the publication in the State Gazette No. 51 of 1 July 2022 of the amendments to the Financial Resources Management of the European Structural and Investment Funds Act (FRMESIF Act).

The authorities also provided:

3. A copy of the Regional Development Act in its consolidated version as amended by the Financial Resources Management of the European Structural and Investment Funds (FRMESIF).

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The amendments to the Financial Resources Management of the European Structural and Investment Funds Act entered into force:

The Financial Resources Management of the European Structural and Investment Funds Act has entered into force and has been published in the State Gazette No. 51 of 1 July 2022, including those amending the Regional Development Act. According to Article 73 of the Act, it enters into force with its publication in the State Gazette.

2. The amendments enhance the direct involvement of the regional and local level in the management of EU funds by strengthening their role in the design and implementation of integrated territorial strategies and projects, as follows:

According to Article 18(1) and (2) of the Regional Development Act as amended by the FRMESIF act, a Regional Development Council shall be established in each of the planning regions at level 2 according to the Nomenclature for Territorial Units of Statistics (NUTS2 level) with the main function to coordinate the implementation of the state policy for regional development in the region. The planning regions and their territorial scope are determined according to Article 1(3) of the Regional Development Act. These Regional Development Councils are not new, but their composition and functions have been adapted to the regional policy in the country and its relationship with the cohesion policy as detailed in Articles 18 and 19 of the Regional Development Act. According to Article 19(1) of the Regional Development Act, the Regional Development Councils discuss and approve the draft of the integrated territorial development strategy of the level 2 planning region and according to Article 19(2) they perform functions of management, coordination, monitoring and control of the implementation of this strategy. The FRMESIF Act, Article 72 amends Article 19(3) of the Regional Development Act and foresees that the Regional Development Councils in NUTS2 regions participate in the process of selecting concepts for integrated territorial investments and in the implementation of the integrated territorial

development strategy for the region.

3. The Regional Development Councils include representatives of the regional and local authorities:

According to Article 18 of Regional Development Act, the Regional Development Councils shall consist of regional and local stakeholders, such as representatives of key authorities, institutions and other interested parties (mayors and/or chairpersons of municipal councils, district governors, academia, NGO sector, business, trade unions and employers at regional level). This broad composition ensures transparency and representativeness of local and regional stakeholders.

4. The revised legal framework provides that the Regional Development Councils function as territorial bodies responsible for the implementation of strategic documents at regional planning level and the preselection of projects to be financed with EU funds at local level on the basis of integrated territorial development strategies, as follows:

According to Article 19(3) of the Regional Development Act as amended by the FRMESIF act, the Regional Development Council shall take part in the process of selection of projects, co-financed by the European structural and investment funds, by other European funds and funding sources, including financial instruments and by the respective national co-financing, in implementation of the integrated territorial development strategy of each level 2 planning region, when such powers shall be delegated to it by the respective managing bodies/national partnering bodies.

According to Article 19(4) of the Regional Development Act as amended by the FRMESIF act, the Regional Development Councils provide letters of support regarding the participation of Bulgarian partners in projects under the cross-border cooperation programs co-financed by the European funds under shared management and instruments for pre-accession assistance of the European Union. These responsibilities of the Regional Development Councils are new for the programming period 2021-2027 and the text is refined compared to the situation before the RRP in order to fully respond to the envisaged integrated territorial approach under the cohesion policy in Bulgaria.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 213</b>	<b>Related Measure: C10.R1 Accessible, effective and predictable justice</b>
Name of the Milestone: Adoption of a Roadmap by the Council of Ministers for the implementation of judgments of the European Court of Human Rights	
<b>Qualitative Indicator:</b> Roadmap developed and adopted	<b>Time:</b> Q3 2021
<b>Context:</b>  The business environment component of the Bulgarian recovery and resilience plan aims to strengthen the potential for sustainable growth and increase the overall resilience of the Bulgarian economy by addressing challenges in the overall business environment and improving the institutional framework. The first Reform of the component has the objective to improve the accessibility, effectiveness and predictability of the justice system. To allow this, the reform includes, among others, the adoption of a roadmap for the implementation of judgments of the European Court of Human Rights. The completion of the Reform is foreseen by Q1 2026.  Milestone 213 concerns the adoption of a roadmap on the implementation of judgments of the European Court of Human Rights. The roadmap must be accompanied by a detailed planning of concrete measures together with deadlines, as well as the institutions responsible for their enforcement. All this shall allow the Bulgarian justice system to comply with the standards of the	

European Court of Human Rights and, together with milestones 214-216, to improve its accessibility, effectiveness and predictability.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled and how the measures envisaged in the Roadmap contribute to the objectives of the reform.
2. Copy of the Roadmap adopted on 6 August 2021.
3. Copy of the decision by the Council of Ministers of 6 August 2021 approving the roadmap.

The authorities also provided:

1. Link to the decision in the Council of Ministers' document browser:  
[https://pris.government.bg/prin/file\\_view.aspx?did=97978&pid=110216](https://pris.government.bg/prin/file_view.aspx?did=97978&pid=110216)
2. Link to the Roadmap in the Council of Ministers' document browser:  
[https://pris.government.bg/prin/file\\_view.aspx?did=97978&pid=110217](https://pris.government.bg/prin/file_view.aspx?did=97978&pid=110217)
3. Link to the Ministry of Justice website, Section Execution of the ECHR's Judgments where the Roadmap of 6 August was published:  
<https://mjs.bg/home/index/1228e52f-b6d8-42f3-9eee-39d0ba163701>
4. Link to the official press release about the adoption of the Roadmap on the website of the Ministry of Justice:  
<https://www.justice.government.bg/home/index/22acbfaa-a957-4100-804c-a17e91bf307a>

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The Roadmap by the Council of Ministers for the implementation of judgments of the European Court of Human Rights was adopted:

In accordance with the milestone description, the Council of Ministers has adopted on 6 August 2021 the Roadmap for the execution of judgments issued by the European Court of Human Rights against the Republic of Bulgaria (Decision No 586 of 2021).

2. The Roadmap covers the implementation of judgements of the European Court of Human Rights and contains the planning of concrete measures and deadlines, as well as the institutions responsible for the enforcement, as follows:

On 25 January 2021, the Council of Europe adopted its Resolution No. 2358 (2021)<sup>2</sup>, whereby it raises serious concerns regarding the number of non-implemented Court judgments and the serious structural problems, in various countries, including Bulgaria. Bulgaria has been cited as one of the Council of Europe member states with the highest number of outstanding decisions, some of which have not been resolved for more than 15 years.

In order to overcome these issues, an interdepartmental working group was created in March 2021 to prepare a Roadmap for the implementation of the judgments of the European Court of Human

<sup>2</sup> <https://pace.coe.int/en/files/28996/html>



Rights against Bulgaria, with the participation of the institutions responsible for the implementation of the measures. According to page 2, section B of the summary document justifying how the milestone was satisfactorily fulfilled, the roadmap was developed based on the analysis of the main problems stemming from the established violations of the Convention for the Protection of Human Rights and Fundamental Freedoms of the Council of Europe (available in the 8<sup>th</sup> Annual Report of the Minister of Justice for the execution of judgments of the European Court of Human Rights against the Republic of Bulgaria in 2020 to the National Assembly<sup>3</sup>). The roadmap refers to the judgments which have not been executed for five or more years, following the recommendation from the Council of Europe (Recommendation 2193 (2021))<sup>4</sup>.

The Roadmap includes a table with the columns containing the following types of information, as requested by the description of the milestone 213 (for all envisaged measures):

- Judgments of the European Court of Human Rights;
- Violations of the Convention for the Protection of Human Rights and Fundamental Freedoms;
- Concrete measures (for their implementation);
- Responsible institution (for their enforcement);
- Term (for their implementation).

The roadmap contains two parts: Part 1 on judgements under the enhanced supervision procedure, and Part 2 on judgements under the standard supervision procedure.

For the issues identified in each of the judgements, the Roadmap specifies the planning of concrete measures together with deadlines and the institutions responsible for their enforcement, in line with the requirements of the CID Annex. The measures proposed address directly the issues that have been identified through the analysis of the main problems stemming from the established violations of the Convention for the Protection of Human Rights and Fundamental Freedoms of the Council of Europe. For example, to counter the lack of publicity of court decisions in expulsion cases (issue identified in the judgements: C.G. And Others v. Bulgaria group<sup>5</sup>), the roadmap foresees legislative amendments introducing the obligation for courts to issue public decisions in the relevant cases. Alternatively, the roadmap foresees that the Minister of Justice requests an interpretative decision of the Supreme Administrative Court on this matter. These measures would indeed facilitate access to the decisions by the interested parties. The roadmap designates the National Security State Agency, State Commission on Security of Information and the Ministry of Justice for the implementation of the measure. The timelines specified in the roadmap were March 2022 for the elaboration of legislative proposals and October 2021 for the request for an interpretative decision requested by the Minister of Justice.

Regarding the issue of investigation of complaints against actions of the police or other state officials, as well as an excessive psychological pressure on suspects (issue identified on the basis of the judgement Velikova v. Bulgaria<sup>6</sup>), the measure foresees to facilitate access to a lawyer during the first hours of detention and to establish detailed rules on gathering data on complaints against police violation with the purpose of limiting the ineffective investigation of complaints against actions of the police or other state officials. The roadmap designates the Ministry of Interior and the Ministry of Justice as responsible institutions, and the deadlines foreseen by the roadmap were June 2022 for strengthening guarantees and elaboration of detailed rules and September 2022 for

<sup>3</sup> [Министерство на правосъдието - Република България \(mjs.bg\)](https://mjs.bg)

<sup>4</sup> <https://pace.coe.int/en/files/28997/html>

<sup>5</sup> Application no. 1365/07, final judgment of 24/04/2008

<sup>6</sup> Application no. 41488/98, final judgment of 04/10/2000

the criminalisation of torture after appropriate amendments.

In consideration of the concrete measures that the Roadmap establishes for the implementation of the judgments, the Roadmap contributes to achieving the objective of the reform, which is to improve the accessibility, effectiveness and predictability of the Bulgarian justice system. For example, Measure 4 in Part 2 of the Roadmap, which concerns the judgment *Dimitar Krastev v. Bulgaria*<sup>7</sup>, contributes to ensuring accessibility of the justice system by supporting the right of access to court of third parties having property rights over the material evidence presented in criminal proceedings. The Roadmap also includes measures aimed at improving the effectiveness of the justice system, such as Measure 3 in Part 1 of the Roadmap, which concerns the implementation of judgment *S.Z./Kolevi v. Bulgaria*<sup>8</sup>, by introducing judicial control over the refusal of the prosecutor to open an investigation. With respect to the predictability of the judicial system, Measure 1 in Part 1, which concerns the judgment *C.G. And Others v. Bulgaria group*<sup>9</sup>, contributes to the predictability of the justice system by supporting the publicity of the judicial acts in cases containing classified information (after removal of the classified information).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> <b>238</b>	<b>Related Measure: C10.R8 Strengthening the anti-money laundering framework</b>	
Name of the Milestone: Adoption of the action plan to mitigate the money laundering and terrorist financing risks identified in the national risk assessment		
<b>Qualitative Indicator:</b> Action plan adopted by the Council of Ministers to follow up the national risk assessment		<b>Time:</b> Q3 2021
<b>Context:</b>		
<p>The objective of this Reform is to strengthen the anti-money laundering framework. The Reform is composed of two other milestones (239, 240) and is expected to be completed by Q1 2023.</p> <p>Milestone 238 consists of the adoption by the Council of Ministers of an action plan with the aim to enhance the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing. The milestone fits in the initial stage of the implementation of the measure and paves the way for the two others, namely the update to the national risk assessment of money laundering and terrorist financing (milestone 239), as well as enhancing the capacity and capabilities of supervisors and increasing the implementation of the anti-money laundering framework by obliged entities (milestone 240).</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. Copy of Decision No. 672 by the Council of Ministers approving the action plan adopted on 17 September 2021 and Copy of the adopted action plan (Annex 1);</li> <li>3. Copy of the results of the 2019 National Risk Assessment Report, including:             <ol style="list-style-type: none"> <li>3.1 Summary of National Risk Assessment;</li> </ol> </li> </ol>		

<sup>7</sup> Application no. 26524/04, final judgment of 12/05/2013

<sup>8</sup> Application no. 29263/12, final judgment of 3/03/2015

<sup>9</sup> Application no. 1365/07, final judgment of 24/04/2008

3.2 Risk events for money laundering and terrorism financing;

3.3 Summarized matrix on Risk events.

4. Excerpt from the Council of Europe's National Risk Assessment Methodology;
5. Risk treatment table containing guidance under the Structural Reform Support Programme project.

The authorities also provided:

6. Document listing the actions in 2019 – 2021 and corresponding risks;
7. Email from the Council of Europe of 16 September 2022 on the guidance received under the Structural Reform Support Programme project.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The plan was adopted by the Council of Ministers:

The action plan for mitigating the risks identified in the National Risk Assessment report was prepared by the permanent working group under Article 96 of the Law on the measures against money laundering and adopted by Decision No. 672 of the Council of Ministers on 17 September 2021, which entered into force on 17 September 2021.

2. The plan aims to enhance the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing, as follows:

The action plan introduces actions addressing the risks identified in the National Risk Assessment. One systematic vulnerability for several identified risk events (in particular, risk events 2, 3, 4, 5, 6, 7, 8, 38, 39, 40) is the widespread use of cash. The action plan includes actions for enhancing the capacity of the Financial Intelligence Unit at the State Agency for National Security, the Bulgarian institution competent for performing anti-money laundering activities under Law on the Measures against Money Laundering, to better detect misuse of cash. This includes legislative and operational actions to introduce a legal basis for a data-mining process at the Financial Intelligence Unit and analysis of the data received in relation to findings of cash deposits and withdrawals of cash from bank accounts of legal persons, along with preparatory steps for the implementation of a specialised software for this purpose (action 35 during the period 2019 - September 2021), and the implementation of the specialised software at the Financial Intelligence Unit for automated processing of data to detect the misuse of cash through data-mining (action 10 during the period September 2021 – December 2022). In a similar way, all the legislative, institutional, regulatory, supervisory and operational actions in the plan aim to enhance the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing. Considering that the actions included in the action plan provide for legal amendments to ensure the availability of more appropriate information (actions 1, 2, 3, 4, 5, and 6 during the period 2019 – September 2021 and actions 12, 18 and 22 during the period September 2021 – December 2022), increasing and training the staff at the supervisory authorities (actions 14, 15, and 16 during the period 2019 – September 2021), introducing specialised software to assist the automatic processing of data at the Financial Intelligence Unit (action 35 during the period 2019 – September 2021 and action 10 during the period September 2021 – December 2022), and that such actions allow for the institutions to have at their disposal more appropriate information and to be better equipped in terms of human and technical resources, it can be concluded that the aim of the action plan is to enhance the capacity of the competent Bulgarian institutions to effectively mitigate the risks of money laundering and terrorist financing.

3. The action plan contains an explanation of the actions undertaken in the period 2019-2021 for mitigation of risks identified in the 2019 National Risk Assessment Report, including legislative, institutional, regulatory, supervisory and operational actions, as follows:

The action plan contains an explanation of all 53 actions undertaken in the 2019 – September 2021 period for mitigating the risks identified in the 2019 National Risk Assessment Report. They are described in Section IV of the Action Plan *‘Risk mitigation in the period 2019 - September 2021’*, and mainly refer to access to accurate beneficial ownership information and carrying out customer due diligence (actions 1, 2, 3, 4, 5, 9, 21), misuse related to payments in cash, electronic money and virtual currencies (actions 7, 8, 10, 11, 12, 29, 35), strengthening administrative resources of supervisory authorities (actions 13, 14, 15), enhanced national and international cooperation (action 16, 23, 24, 45, 46), enhanced supervision of obliged entities (action 6, 17, 18, 19, 20, 22), organising public discussions, trainings and guidance to obliged entities or the general public (action 25, 28, 30, 31, 32, 33), carrying out analysis on anti-money laundering and counter-terrorist financing topics (actions 26, 27, 28, 34, 53), managing EU and national public funds (actions 36, 37, 38, 39), and fighting corruption, human trafficking and organised crime and improving criminal investigations (42, 43, 44, 45, 46, 47, 48, 49, 50, 51, 52).

The document *‘Risk events for money laundering and terrorism financing’*, which is part of the National Risk Assessment results, includes all 40 risks identified in the 2019 National Risk Assessment Report. The main risks identified in this National Risk Assessment are laundering of funds from organised crime, proceeds from corruption and funds from tax evasion and value added tax, integration of laundered funds in the construction sector, laundering of funds from foreign predicate offences through non-bank investment intermediaries in Bulgaria, illicit funds generated in the food and oil trade and of funds from computer and social engineering fraud, possible involvement of professionals and reporting entities, as well as use of money or value transfer services and informal value transfer to transfer funds potentially related to terrorist financing.

The link between the actions undertaken in the period 2019-2021 for mitigating the risks identified in the 2019 National Risk Assessment Report is particularly discernible in the document entitled *‘List of actions undertaken in the period 2019 - September 2021 and their correspondence with the risk events from the 2019 NRA report’*, which outlines for each of the 53 actions its category (legislative, institutional, regulatory, supervisory and operational) and which of the 40 identified risk events it mitigates. Based on the information provided and, on the explanation, included in the action plan, the relevant actions undertaken in the period 2019-2021 and the category of risk from the 2019 National Risk Assessment Report that each action mitigates could be identified. An example illustrating the link between the identified risks and the undertaken actions is the one regarding risk event 1 *‘Corruption Money Laundering’*, which is associated with the threat of corruption in Bulgaria, including through fraud with EU funds. This risk event has been addressed during the period 2019-2021 by actions, including upgrading the already existing central registers held by the Registry Agency to be used as Beneficial Ownership registers and organising the submission of information to these registers (legislative and institutional actions 1), hiring and training new staff members in the Financial Intelligence Unit (institutional and operational actions 14), updating a guidance by the Financial Intelligence Unit on the verification of the identity of customers, which are natural persons, and publishing guidelines on customer due diligence for politically exposed persons (supervisory actions 21), publishing information on the National Risk Assessment Report to inform the obliged entities, public authorities and the rest of society on the identified risk events, as well as additional outreach activities and trainings to further enhance obliged entities’ capabilities (operational and regulatory actions 32), review of the methodology for analysis of suspicious transactions to ensure more effective prioritisation of the Financial Intelligence Unit’s analytical work (operational actions 34).

4. The action plan contains an outline of additional actions to address remaining threats and vulnerabilities, which are still on-going, as well as the expected results of their implementation, priority, deadline for execution, stage and responsible authority, as follows:

Section V of the action plan, entitled '*Risk mitigation in the period September 2021 – December 2022*', contains a table with 51 additional actions, as well as the expected results of their implementation, their priority level, deadline for execution, stage and responsible authority. These actions are designed to address remaining threats and vulnerabilities, which were still on-going at the time of adoption of the action plan, for mitigating all 40 identified risk events. The actions mainly concern raising awareness on anti-money laundering and counter-terrorist financing topics (actions 1, 2, 4, 5, 21, 47), carrying out analysis on anti-money laundering and counter-terrorist financing topics (actions 3, 6, 7, 23, 25, 27, 40, 49, 50), drafting legislative amendments and revising and updating relevant documents, methodologies and guidance (actions 8, 9, 24, 31, 33, 34, 35, 38, 39, 41, 42, 43, 44, 45, 46, 48, 51), strengthening the administrative capacity of supervisory authorities (actions 10, 14, 15, 16, 17, 20, 28, 29, 30, 32), enhanced national and international cooperation (actions 11, 12, 13, 18, 19, 22), and carrying out thematic inspections (actions 36, 37).

The table includes the following information for each additional action:

- Number of corresponding risk event identified in the 2019 National Risk Assessment Report;
- Type (category) of the action (policy, legislative, institutional, regulatory, supervisory and operational);
- Expected result and the strategic objectives that are expected to be achieved with the implementation of the action;
- Priority level (high or moderate);
- Deadline for execution;
- Stage of implementation (ongoing or not started);
- Responsible authority.

The information included in Section V of the action plan, and particularly in the table contained therein, allow to clearly determine the additional actions undertaken to address the remaining threats and vulnerabilities, as well as the status, details and responsibility for their implementation, as required by the Council Implementing Decision.

5. The action plan was prepared in accordance with the recommendations received under the Structural Reform Support Programme (SRSP) project 19BG17 'Enhancing capabilities of Bulgarian authorities to effectively mitigate money laundering and terrorism financing risks', as follows:

The Structural Reform Support Programme project 19BG17 focused on assisting Bulgaria with the implementation of the European exchange rate mechanism (ERM II) post-entry commitments, including on enhancing the capabilities of Bulgarian authorities to effectively mitigate money laundering and terrorism financing risks. The guidance under the project was provided by the Council of Europe. The project was implemented via technical exchanges. Although there was no one single document that included formal recommendations from the Council of Europe, the Bulgarian authorities have implemented the guidance and input that they received from the Council of Europe in the development of the action plan.

More specifically, according to the Updated Progress Report by the Council of Europe on the Structural Reform Support Programme project of 31 January 2022 provided by DG REFORM, the guidance by the Council of Europe before the adoption of the action plan was provided in the form

of workshops and meetings that Bulgaria received during the process of developing the action plan. The Council of Europe also provided Bulgaria with its National Risk Assessment Methodology, which contains an organisational framework describing the necessary administrative structure and steps in the national risk assessment process, a methodological framework describing the terminology and main concepts of the methodology and analytical tools, as well as the national risk assessment report structure and analytical process. The process included the development of risk treatment tables by the Bulgarian authorities for risk events identified in the National Risk Assessment Report from 2019, which were to be used as a basis for the development of the final list of actions in the action plan. The Council of Europe also organised a workshop where government officials, representatives of the private sector and of the non-profit organisations sector participated. During the workshop, the participants received practical guidance on how to design objectives, activities and actions that would reflect the National Risk Assessment findings on money laundering and terrorism financing risks. A dedicated session provided guidance on how to properly assess and fill out the National Risk Assessment Risk Events document.

The National Risk Assessment Methodology Working Group filled in a model risk treatment table (for Risk Event 8) following the risk treatment fiche example included in Annex 12, Chapter 9 of the Council of Europe National Risk Assessment Methodology. This served as a basis for developing in the period 2019-September 2021 the final list of actions listed in Section IV of the Action Plan and for the analysis on the need of additional risk mitigating actions under Section V of the Action Plan.

Overall the process consisted of methodological guidance from the Council of Europe and advice on how to apply the methods developed by the latter. In addition, the Council of Europe has confirmed that there are no instances where the action plan goes against the guidance it has provided.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 241</b>	<b>Related Measure: C10.R9 Improving the quality of the legislative process</b>	
Name of the Milestone: Entry into force of the Rules for the Organisation and the Activity of the National Assembly		
<b>Qualitative Indicator:</b> Provisions in the Rules for the Organisation and the Activity of the National Assembly indicating their entry into force		<b>Time:</b> Q4 2021
<b>Context:</b>		
<p>Reform 9 of the Business environment component aims at improving the quality and predictability of the legislative process within the Bulgarian National Assembly. This objective is to be achieved through the fulfilment of milestone 241, by establishing the Rules for the Organisation and the Activity of the National Assembly. The reform is to be achieved by Q4 2021.</p> <p>Milestone 241 is the only milestone of Reform 9. This milestone consists of the adoption of the Rules for the Organisation and the Activity by the National Assembly. The new rules are to include a number of steps aiming to ensure, among others, the transparency and inclusiveness of the process. For instance, the new rules are to ensure that all draft legislation proposed by Members of Parliament is reasoned and accompanied by a preliminary impact assessment.</p>		
<b>Evidence provided:</b>		
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;</li> <li>2. Copy of the publication in the State Gazette of the Rules for Organisation and the Activity of</li> </ol>		

the National Assembly, voted on 17 December 2021 and published in State Gazette No. 109 on 21 December 2021 (Annex 1);

3. Copy of the Rules of Organization and Procedure of the National Assembly in English (Annex 2);
4. Copy of the Rules of Organization and Procedure of the National Assembly in Bulgarian (Annex 3);
5. Link to the website where the Rules of Organization and Procedure of the National Assembly can be accessed and a print screen of the website with the visible address (<https://www.parliament.bg/en/podns>).

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. The Rules for the Organisation and the Activity of the National Assembly entered into force:

The Rules for the Organisation and the Activity of the National Assembly ('the Rules') have been approved by Parliament and published in the State Gazette No. 109 of 21 December 2021. The Rules entered into force on the day of their publication in the State Gazette.

2. The Rules ensure that all draft legislation proposed by Members of Parliament is accompanied by reasoning and a preliminary impact assessment, as follows:

This requirement is addressed by Article 70(1)(1) of the Rules, which stipulates that the draft legislation with its explanatory memorandum (that is, its reasoning) and the ex-ante impact assessment (that is, its preliminary impact assessment) shall be submitted to the President of the National Assembly by, among others, Members of Parliament. Lastly, pursuant to Article 70(6) of the Rules, draft laws to which no reasoning and/or preliminary impact assessment has been attached, shall not be distributed by the President of the National Assembly to the responsible committees, until such irregularities have been remedied. The aforementioned provisions, therefore, ensure that a draft law submitted by Members of Parliament cannot move forward within the legislative process unless it is submitted together with an explanatory memorandum containing its reasoning and a preliminary impact assessment, in accordance with the Rules.

3. The Rules ensure that the draft legislative acts submitted to the National Assembly are entered into the public register of draft laws, as follows:

Article 70(1) of the Rules requires that draft laws are immediately registered in a public register of draft laws. In the summary document, the Bulgarian authorities have also provided the following link to the register, which is a public web-based database containing electronic files of submitted bills within the respective mandate of the National Assembly: <https://www.parliament.bg/bg/bills>

4. The Rules ensure that all written opinions of citizens or legal entities are published on the website of the responsible parliamentary committee, as follows:

This requirement is addressed by Article 73(7) and (8), which stipulate that the opinions of, *inter alia*, citizens and legal entities, shall be published on the website of the responsible parliamentary committee, which is found within the website of the National Assembly. In the summary document submitted, the Bulgarian authorities have provided an explanation that since the 47th National Assembly was dismissed and elections are taking place on 2 October 2022 for the 48th National Assembly, there are currently no parliamentary committees, and the websites of the parliamentary committees of the 47th National Assembly are available in an archive on the website of the Parliament, by accessing the following link: <https://www.parliament.bg/bg/archive/57>.

5. The Rules ensure that the parliamentary committee report on the draft legislative act includes a summary of the views of the stakeholders' opinions and a summary opinion of the committee, as follows:

Article 73(11) of the Rules requires that the report of the responsible committee for the first vote contains, among others, a summary of the opinions received from stakeholders and a summary opinion of the parliamentary committee.

6. Proposals for amendments submitted between the first and the second vote are made public via a public register, as follows:

The Rules ensure that proposals for amendments submitted between the first and the second vote are made public through their registration in a public register. This publication requirement is reflected in Article 79(1) of the Rules, which provides that Members of the Parliament may submit written proposals for amendments to the draft act adopted at first vote, which must be registered in a public register of the National Assembly.

7. The Rules ensure that proposals for amendments and supplements to a draft legislative act adopted at the first vote may not refer to legislative acts, different from those, the amendment or supplement of which has been proposed in the initially submitted draft legislative act, except for editorial or legal- technical amendments, as follows:

In line with the requirements of the Council Implementing Decision, Article 79(2) of the Rules requires that the proposals submitted after the first vote may not relate to legislative acts other than those the amendment or supplement of which is proposed by the submitted draft law, except for those relating to editorial and legal – technical amendments.

Overall, the Rules contribute to improving the quality and predictability of the legislative process within the National Assembly, as follows:

The implementation of the milestone contributes to the objective of the reform, which is to improve the quality and predictability of the legislative process within the National Assembly, as follows:

The quality of the draft legislation is improved through the mandatory preliminary impact assessment. The members of the Bulgarian parliament should be able to participate in the law-making process having a bigger overview of the following elements: stakeholders' concerns and the extent to which they could be affected, cost benefit analysis, administrative burden and structural changes expected and impact that the acts will have on the legal framework in the country. In addition to that, the Members of the Parliament will also have the opportunity to get familiar with different positions of the stakeholders concerned, as all the opinions submitted will be available on the official website of the National Assembly and their summary will be added to the report of the responsible committee. Consequently, the Bulgarian MPs will be able to take better informed decisions when voting for the legal texts and proposing amendment.

The publication, on the official website of the National Assembly (accessible to all the citizens), of the stakeholders' opinions, as well as of the proposed amendments to the draft legislation between its first and second readings lead to a greater level of transparency of the legislative process. In this way, the public will be able to follow the different stages of the law-making process and will have the opportunity to compare the final outcome with the draft initially submitted.

The predictability of the adopted draft legislation is improved through the obligation for the proposals to be made in the National Assembly not to differ (in their subject-matter or scope) from



the proposals adopted during the first reading of the draft law. As the result, the possibility to introduce an amendment to another law unrelated to the initially submitted draft law are limited.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 279	<b>Related Measure: C10.I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan</b>	
<b>Name of the Milestone:</b> Provision of a repository system for monitoring of the implementation of the RRP		
<b>Qualitative Indicator:</b> Audit report confirming the repository system functionalities		<b>Time:</b> Q2 2022
<p><b>Context:</b></p> <p>The objective of the investment is to improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan of Bulgaria.</p> <p>This milestone concerns the provision of an operational repository system with all the functionalities required for the monitoring of the implementation of the recovery and resilience plan of Bulgaria and the protection of the financial interests of the Union in accordance with Article 22 of the RRF Regulation.</p> <p>The other elements of the investment are covered by milestones 280, 281 and 282, which are also due by Q2 2022 and part of the same payment request, as well as by targets 283, 284 and 285, due by Q4 2025.</p>		
<p><b>Evidence provided:</b></p> <p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all constitutive elements) was satisfactory fulfilled;</li> <li>2. Annex 1 – Final audit report signed on 01 August 2022 by the Audit of EU Funds' Executive Agency;</li> <li>3. Annex 2- Acceptance protocol signed by the contractor and the competent authority;</li> <li>4. Annex 3- Unified Management Information System User Profile Management Procedure Manual (provided as evidence in the context of the milestone 282).</li> </ol> <p>The authorities also provided:</p> <ol style="list-style-type: none"> <li>5. Replies to ECFIN R4's follow-up questions from the demonstration of the repository system on 26 August 2022, received on 7 September 2022 (Follow-up on the meeting of 28/07 - Ares(2022)5508892 - Ares(2022)5956795);</li> <li>6. Replies to ECFIN R4's additional clarification questions from 15 September 2022, received on 21 September 2022 with clarifications on the process of uploading contracts into the repository system and collection of data on beneficial owners for foreign companies (Ares(2022)6386957)- Info 13;</li> <li>7. Replies to ECFIN R4's additional clarification questions received 23 September containing a list of signed contracts and their status of implementation (RE: BG first payment request: follow-up questions on audit and control - Ares(2022)6386957) – Info 12</li> <li>8. Replies to ECFIN R4's additional clarification questions from 26 September 2022, received</li> </ol>		

- on 30 September 2022 (Ares(2022)6386957)- Info 10;
9. Replies to ECFIN R4's additional clarification questions from 04 October 2022, received on 05 October 2022 with clarification on National Fund Directorate's workload assessment (Ares(2022)6386957)- Info 9;
  10. Replies to ECFIN R4's additional clarification questions from 05 October 2022, received on 07 October 2022 with a list of contracts from the 2nd payment request (Ares(2022)6386957)- Info 8;
  11. Replies to ECFIN R4's additional clarification questions from 10 October 2022, received on 11 October 2022 containing explanations on the collection of beneficial ownership data and a link to the Commercial Register with a required list of companies and their owners (Ares(2022)6386957)- Info 7;
  12. Replies to ECFIN R4's additional clarification questions from 12 October 2022, received on 12 October 2022 containing clarifications on beneficial ownership data for a number of contracts (Ares(2022)6386957)- Info 6;  
Replies to ECFIN R4's additional clarification questions from 14 October 2022, received on 17 October 2022 containing clarifications on beneficial ownership data for a number of contracts (Ares(2022)6386957)- Info 4.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. In line with the requirements of the Council Implementing Decision, the final audit report confirmed that the repository system has the required functionalities and that it is in place and operational, meaning that the data is already being collected by the entity entrusted with this task and that the implementing bodies have in place upgraded procedures on the use of the Unified Management Information System, as follows:

The Executive Agency 'Audit of EU Funds', which is the Bulgarian Audit Authority, carried out a system audit on the Bulgarian Recovery and Resilience Facility (RRF) repository system. The objective of the audit was to obtain reasonable assurance on the effective functioning of the RRF Information System (part of the Unified Management Information System used for EU funds), which ensures the effective monitoring and implementation of the Recovery and Resilience Plan (RRP), including the envisaged timetable, milestones and targets, and related indicators, as required by Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021. According to the final audit report (page 8), the scope of the audit focused on whether Bulgaria maintained an effective system to ensure that all information and documents necessary for the audit trail are kept. The audit scope included control activities put in place and implemented by the audited directorates in the period of May to June 2022. To ensure an adequate information and administrative environment for the implementation of the RRP, the administrators of the repository system had to ensure that the upgraded procedures on the use of the Unified Management Information System (UMIS) were in place (p.4 of final audit report).

In the final audit report, the weaknesses of the system observed in the preliminary audit report of 17 July 2022 (on the absence of data required by Article 22.2d of Regulation (EU) 2021/241, an adequate audit trail and updated video guides) were addressed in line with the corrective actions recommended and the following was concluded: *'In line with Article 22(2) (d) and (e) of the RRF Regulation, the Member State shall maintain an effective system to ensure that all information and documents necessary for the purpose of the audit trail are kept'*. The assessment given by the audit authority was that the system works but some improvement is needed. The final audit report confirmed the functionalities of the system and was signed on 1 August 2022 by the executive

director of the Audit of EU Funds' Executive Agency, who is responsible for signing the report.

2. The system includes the functionalities of the collection of data and monitoring of the achievement of milestones and targets in line with the Council Implementing Decision requirements, as follows:

In addition to the final audit report, to obtain reasonable assurance that data had been collected and effectively stored, the Commission requested a virtual demonstration of the Bulgarian repository system which was held on 23 August 2022.

The following elements of the system were demonstrated and confirmed that the system has the necessary functionalities for the collection of data and the monitoring of the achievement of milestones and targets:

- The system is a central system whereby access is granted to users, those being the final recipients or implementing bodies. These entities are responsible for uploading the data;
- The structure of the system looks advanced, with varying fields (such as tabs on project proposal, contract, amounts paid, on-the-spot checks) and conditions for the submission of projects;
- There is also a functionality to submit declarations (e.g. absence of criminal records) for which the system provides the template;
- There is a clear overview of the milestones and targets, their timing, and the associated timeline in terms of the payment request;
- The system displays if a certain milestone/target is completed or not completed, but not if it is delayed or its specific reference. However, the system has the possibility to enter information under a 'public discussion field' and includes options to enter 'sub-targets', which can potentially demonstrate the stage of implementation of the milestone/target.
- The Unified Management Information System offers the functionality to check which contractors are participating in other projects or contracts. This allows for a preliminary check for double funding;
- For calls for proposals the system includes mandatory fields that must be filled in before proposals can be submitted or contracts can be signed.

3. The system includes the functionalities of the collection, storage and access to the data required by Article 22(2)(d)(i) to (iii) of Regulation (EU) 2021/241 in line with the Council Implementing Decision as follows:

A virtual demonstration session took place on 23 August 2022. In addition to that, the Commission auditors were granted access to the repository system on 12 September 2022. These, together with some further exchanges with the Bulgarian authorities (between 7 September and 17 October 2022) has led to the following conclusions:

- Data has indeed been collected for milestones from the first payment request, which contain signed contracts with contractors, as required by the Article 22(2)(d), notably for milestone 199 (contracts on the construction of new sections of line 3 of Sofia metro following open and competitive tender), milestone 281 (update of video guides to cover in full all business processes of the RRP information system) and milestone 279 (provision of a repository system for monitoring of the implementation of the RRP).
- Data has been collected on ongoing measures, such as submitted proposals by applicants concerning component C3 – Smart industry.
- The Bulgarian authorities confirmed that there are signed contracts from the second payment request that are currently not uploaded in the repository system. This was due to the fact that the Management and Control System requires that operational agreements are signed between the Ministry of Finance and the implementing bodies for the respective

investments/reforms. The concerned contracts have been sent to the Commission auditors, confirming the collection and verification of beneficial ownership data. The beneficial owner data for foreign entities is declared but currently it is not verified further.

4. In line with the further specification of the milestone in the Operational Arrangements, the implementing bodies have in place upgraded procedures on the use of the Unified Management Information System, as follows:

The Unified Information Management System was upgraded to allow all the Implementing Bodies to perform their functions and input data in accordance with the Management and Control system of the RRP (Annex 1). In line with the upgrade of the system and with the introduction of the new set-up, the access procedure for UMIS had been updated and the entities that have started implementing the RRP received the access rights. A manual was approved laying down the detailed rules for the operation of the Unified Information Management System User Module, which provides decentralised electronic management of user accounts in the system (evidence submitted in the context of milestone 282: Annex 5d Unified Management Information System User Profile Management Procedure).

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 280</b>	<b>Related Measure: C10.I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan</b>		
Name of the Target: Update of video guides to cover in full all business processes of the RRP information system			
<b>Quantitative Indicator:</b> video guides to cover in full all business processes of the RRP information system	<b>Baseline:</b> 0	<b>Target:</b> 36	<b>Time:</b> Q2 2022
<b>Context:</b>			
<p>The objective of this investment is to improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan (RRP) of Bulgaria.</p> <p>Target 280 concerns the update of video guides to cover all the business processes of the RRP information system (part of the Unified Management Information System, which is used for the EU structural instruments in Bulgaria). The purpose of introducing a visualisation of workflows in the form of video guides is to facilitate the work of users. The other elements of the investment are covered by milestones 279, 281 and 282, which are also due by Q2 2022 and part of the same payment request, as well as by targets 283, 284 and 285, due by Q4 2025.</p>			
<b>Evidence Provided:</b>			
<p>In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:</p> <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the target (including all constitutive elements) was satisfactory fulfilled.</li> <li>2. Annex 1 - Document containing screenshots of all 36 video guides available online.</li> <li>3. Annex 1a - Table with an overview of 36 video guides, a short description of what business processes they cover and links to the website where they can be accessed.</li> </ol>			
<b>Analysis:</b>			

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the target. In particular:

1. The video guides contain a visualisation of workflows that facilitate the work of users, as follows:

All business processes that users may encounter when implementing the RRP and working in the information system are duly covered by the video tutorials, and each video is focused on a separate stage of the workflow. The availability of and access to these video tutorials contribute to smoother and more efficient operations, as users are able to visually familiarize themselves with the different parts of the system. This in turn facilitates the work of users and ensures the proper use of the entire RRP information system.

2. Given the adaptation of the Unified Management Information System for the EU structural instruments in Bulgaria (UMIS 2020) for the purpose of implementing the RRP, as well as the uniqueness of the new instrument, the 36 video guides are tailored to address the RRP and have been created to cover in full all of the possible business processes that users could encounter when implementing the RRP while working in the information system as follows:

Based on their content, these video guides can be considered as comprehensive training material for end-users, as they cover in full all the related business processes that users could encounter when working on the RRP-related topics in the Unified Management Information System. They are tailored to specifically address the needs of end-users in relation to the RRP, and cover RRP-specific business processes, such as project proposal creation, signing and submitting of a project proposal, public procurement procedures and e-procurement, creating and submitting financial and technical reports, creating and sending reporting documents for end recipients, structuring data for reporting, evaluation of project proposals, reporting on milestones and targets, provision of grants, monitoring and financial control and general information on the control and audit system.

The RRP information system was developed on the basis of the processes and requirements specified in the Management and Control system for the RRP. This includes submission of applications for investments by the final recipients, their appraisal and approval in cases of selection procedures, reporting on the achievement of milestones and targets and their verification, as well as execution of payments and financial implementation. The video guides were made available online on 1 August 2022 in the production environment of the system, with links for each video guide to the YouTube website where they had been uploaded (Annex 1 and Annex1a). This allows the end-users to have easy access to all the necessary information. Based on the examination of the table containing an overview of the 36 different video guides, of the short descriptions of what the videos cover, and following the checks performed on the links to the videos, it is concluded that the 36 videos have been tailor-made to address the RRP, and that they cover all the possible business processes that users could encounter when implementing the RRP while working in the information system.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number:</b> 281	<b>Related Measure:</b> C10.I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan
Name of the Milestone: Entry into force of the act setting up the Management and Control system for the RRP	
<b>Qualitative Indicator:</b>	<b>Time:</b> Q2 2022

Adoption and entry into force of the act (an order of the Minister of Finance) approving the Management and Control System	
--	--

**Context:**

The objective of this investment is to improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan (RRP) of Bulgaria.

Milestone 281 concerns the entry into force of the act setting up the Management and Control system for the RRP by order of the Minister of Finance. The milestone is part of the measure ensuring an adequate information and administrative environment for the implementation of the Recovery and Resilience plan in the early stage of the Plan's implementation.

The other elements of the investment are covered by milestones 279, 280 and 282, which are also due by Q2 2022 and part of the same payment request, as well as by targets 283, 284 and 285, due by Q4 2025.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all constitutive elements) was satisfactorily fulfilled;
2. Annex 1 Amended decision on the structures and responsibilities for the RRP (the Council of Ministers Decree No. 259 of 26 August 2022, published in the State Gazette No. 70 of 2022, amending and supplementing the Council of Ministers Decree 157 of 07 July 2022);
3. Annex 1a Decision on the structures and responsibilities for the RRP (the Council of Ministers Decree 157 of 07 July 2022);
4. Annex 1b Print screen of the website of the Ministry of Finance, where the 'System for management and control of the RRP' is described, including the order by the Minister of Finance approving this system;
5. Annex 2 Communication to the involved bodies on the approval of the RRP Management and Control System;
6. Annex 2a Communication to the involved bodies on the structures for the RRP.

The authorities also provided:

7. Annex Print screen of the website where the RRP is uploaded;
8. Print screen of the website (the State Gazette including the Council of Ministers Decree 157 of 07 July 2022 on defining the bodies and structures responsible for implementing the RRP and their functions).

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone.

1. The Management and Control System in the context of the RRP has been approved and entered into force. It includes the ministries and bodies responsible for carrying out controls on the implementation of the plan (investments and reforms), as follows:

The Management and Control System sets the responsibilities, rules, procedures, and documents needed for the proper implementation and control of the RRP. The Management and Control System was formally approved on 01 July 2022 by Order of the Minister of Finance and published on the official website of the Ministry of Finance<sup>10</sup> (Annex 1b), thereby entering into force.

Evidence to corroborate the communication of the date of entry into force of the Management and Control System for the RRP was provided. This entails communication by e-mail to the different bodies involved in the Bulgarian RRP. On 5 July 2022, the Bulgarian authorities notified the involved bodies on the formal approval of the Management and Control System (Annex 2) and the Deputy Minister of Finance reported on the structure of the Management And Control System on 13 July 2022 (Annex 2a). This communication included: a) links to the publication in the State Gazette of the Council of Ministers' Decree on the authorities and bodies responsible for the implementation of the RRP and their key functions and to the publication on the Ministry of Finance's website of the Order of the Minister of Finance approving the Management and Control system; b) the description of the mechanism for raising questions on the implementation of the system.

The Council of Ministers Decree No. 259 (amending Decree No. 157) defines the ministries and bodies responsible for carrying out controls on the implementation of the RRP, their key functions and responsibilities. The Decree was published in the State Gazette and is accessible on the website of the Parliament<sup>11</sup>. The date of approval was 07 July 2022 and the date of entry into force was 15 July 2022.

2. The Management and Control System specifies measures to combat fraud, corruption, double funding and conflict of interest and arrangements for reporting and correcting serious irregularities, as follows:

The description of the Management and Control System (Annex 1d) provides a comprehensive overview of **the measures implemented to combat fraud, corruption, double funding and conflict of interest and the ensuing arrangements for reporting and correcting serious irregularities, as follows:**

Concrete measures to address these issues are:

- Adoption of a Code of Conduct for Public Administration Employees;
- Signing of declarations by officials involved in the implementation, monitoring and control of investments ensuring they are aware of the definition of an irregularity<sup>12</sup>;
- Requirement to sign a declaration of assets and interests by persons holding senior public office;

<sup>10</sup> Source: <https://www.minfin.bg/bg/1573>

<sup>11</sup>Source: <https://dv.parliament.bg/DVWeb/showMaterialDV.jsp;jsessionId=2F6723F6F10308B395A2755387CDCEA4?idMat=174734>

<sup>12</sup> Irregularity within the meaning of Regulation (EC, Euratom) No 2988/95, the definition of corruption within the meaning of Article 3 (1) of the Anti-Corruption and Forfeiture of Illegally Acquired Property Act, as well as the constituent elements of the offence of fraud under Articles 209, 212 and 212a of the Criminal Code, the constituent elements of the offence of bribery under Articles 301, 304, 304a, 304b, 304c and provocation to a bribe under Article 307 of the Criminal Code and the constituent elements of the offence of embezzlement under Article 201 of the Criminal Code (definitions of offences of fraud within the meaning of Article 3 and active and passive corruption and embezzlement within the meaning of Article 4 of Directive (EU) 2017/1371 of the European Parliament and of the Council of 5 July 2017 on the fight against fraud to the Union's financial interests by means of criminal law, transposed into Bulgarian law) and the procedure for the handling of information received on such irregularities (Annex 11).

- Conducting a fraud risk assessment to identify effective and proportionate anti-fraud measures;
- System audits of the management and control systems by the Audit Authority, including checks on the measures applied by the Coordinating bodies to combat fraud, corruption, conflict of interest and double funding;
- Training of participants on the process of implementation and control of investments financed by the RRP.

**For conflicts of interest:**

- declarations of absence of conflict of interest;
- use of the data mining tool ARACHNE at the level of the coordinating body for ex ante controls;
- final recipient/contracting authority is to use ARACHNE to perform ex-ante verifications during procurement procedures, for the selection of proposals for the implementation of investments by final recipients not specifically identified in the RRP.

**For assessing double funding:**

- checks on double financing for both expenditure and investments in their entirety;
- during the implementation of an investment, the following checks concerning the financial and technical report:
  - check that there is a declaration of absence of double funding (if applicable);
  - verification of information in the information systems for the shared management programmes to confirm the information provided in the financial and technical report on projects under the shared management/cross-border cooperation programmes;
  - check in the Financial Transparency System if the final recipient of RRF funds is a beneficiary of funds under programmes directly managed by the EC or other EU bodies.

**Furthermore, concerning reporting and correcting of serious irregularities:**

- For the purpose of the RRP, cases of fraud, corruption and conflict of interest are considered to be serious irregularities. Procedures for whistle-blowers are in place and are accessible on the websites of the Coordinating and Implementing bodies. This procedure can be launched via a specific e-mail address, orally or in writing.
- Information on cases of serious irregularities is entered, updated and stored in a specific module of the RRP Information System. This module contains files on the serious irregularity cases, which have all the relevant documentation collected in the course of the administrative check. This necessarily includes:
  - the alert received and respective documents;
  - documents relating to the administrative check carried out, including all documentary evidence relating to the case;
  - the conclusion that there are grounds for proceeding with the alert;
  - extracts from audit/control reports, where applicable;
  - any correspondence relating to the infringement;
  - the analysis, assessment and checks carried out by the Directorate for the Protection of the Financial Interests of the European Union at the Ministry of the Interior , as well as the conclusion on the handling of the report to the pre-trial authorities or to the Commission for Combating Corruption and Forfeiture of Illegally Acquired Assets;
  - information relating to the current status of the case, including the actions of the law enforcement authorities, status of the court case, where applicable, or relevant administrative proceedings, as well as the decisions issued;
  - information on corrective actions taken;
  - other relevant information.
- Measures have been also put in place concerning the correction of serious irregularities,



specifically the suspension of payments by the coordinating bodies in case of indictment for fraud or corruption concerning an investment from the RRP. In case of suspicion of fraud, corruption or conflict of interest concerning an official performing his/her official functions on the implementation of an investment under the RRP, the person shall be excluded from carrying out activities in respect of that investment.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 282</b>	<b>Related Measure: C10.I11 Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan</b>	
Name of the Milestone: An approved workload analysis for the National Funds Directorate and the Central Coordination Unit, entry into force of the amendments to the structural regulations for the Executive Agency 'Audit of EU Funds' and the implementation of respective recommendations		
<b>Qualitative Indicator:</b> An approved workload analysis for the National Funds Directorate and the Central Coordination Unit, provision in the amendments to the structural regulations for the Executive Agency 'Audit of EU Funds' indicating the entry into force of the amendments, and that the respective recommendations have been implemented.		<b>Time:</b> Q2 2022
<b>Context:</b>  The objective of this investment is to improve the information and administrative capacity for the delivery of key projects in the context of performance-based funding, with a focus on the recovery and resilience plan of Bulgaria.  To ensure an adequate information and administrative environment for the implementation of the RRP, the Coordination Unit, the National Funds Directorate and the Executive Agency 'Audit of EU funds'), need to submit an approved workload analysis, as well as demonstrate the entry into force of the amendments to the structural regulations for the Executive Agency 'Audit of EU Funds' and that the respective recommendations have been implemented.  The other elements of the investment are covered by milestones 279, 280 and 282, which are also due by Q2 2022 and part of the same payment request, as well as by targets 283, 284 and 285, due by Q4 2025.		
<b>Evidence provided:</b>  In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided: <ol style="list-style-type: none"> <li>1. Summary document duly justifying how the milestone (including all constitutive elements) was satisfactory fulfilled;</li> <li>2. Annex 1 Report on the National Fund Directorate Workload Analysis with accompanying analysis tables;</li> <li>3. Annex 1a Letter of 09 August 2022 to the Minister of Finance asking for approval of the National Fund Directorate Workload Analysis and with an approval stamp of 12 August 2022;</li> <li>4. Annex 2 Report on the Central Coordinating Unit Workload Analysis with accompanying with analysis tables;</li> <li>5. Annex 2a Letter to the Secretary-General of the Council of Ministers asking for approval of the Central Coordinating Unit Workload Analysis;</li> <li>6. Annex 3 Report on the analysis of the functions and administrative capacity of the Executive Agency 'Audit of EU Funds'</li> <li>7. Annex 3a The Council of Ministers Decree No. 143 of 27 June 2022, published in the</li> </ol>		

State Gazette 49 of 30 June 20222, amending and supplementing the Rules of Procedure of the Executive Agency 'Audit of EU Funds'

8. Annex 3b Administration Act (promulgated in State Gazette No. 130 of 5 November 1998 and last amended in State Gazette 21 of 13 March 2020), governing the structure of the administration, the basic principles of the organisation of its activities, the posts in the administration and the essential requirements for their occupation;
9. Annex 4b Functional Characteristics of National Fund Directorate (dated 29 April 2021);
10. Annex 4c Amended functional characteristics of the National Fund Directorate within the Ministry of Finance, approved by the Minister of Finance on 26 September 2022;
11. Annex 4d Letter to the Minister of Finance asking for approval of the amended functional characteristics of the National Funds Directorate;
12. Annex 5a Council of Ministers Decree No. 157 of 07 July 2022 - decision on the structures and responsibilities for the RRP;
13. Annex 5b Amended Council of Ministers Decree No. 157 of 07 July 2022- decision on the structures and responsibilities for the RRP;
14. Annex 5c Functional Characteristics of the Central Coordinating Unit;
15. Annex 5d Unified Management Information System User Profile Management Procedure manual;
16. Annex 6 Copy of the publication of the amendments to the structural regulation for the Executive Agency 'Audit of EU Funds' in the State Gazette 49 of 30 June 2022 (page 138).

The authorities also provided:

17. Report of the director of the 'Audit of regional policy funds' directorate to the Executive director of the Executive Agency 'Audit of EU funds' with proposals for the organization of the recruitment process. The Report was approved by the Executive director;
18. Order of the Executive director for the position of an assistant- 3 places (Executive Agency 'Audit of EU funds');
19. Order of the Executive director for the position of a chief assistant- 2 places (Executive Agency 'Audit of EU funds');
20. Order of the Executive director for the position of a senior assistant- 2 places (Executive Agency 'Audit of EU funds');
21. Link to the webpage of the Audit Agency where the seven job positions are advertised;
22. Replies to ECFIN R4's additional clarification questions received on 28 September also containing the above mentioned orders for positions and the link to the website (Request for information: first and second payment request - Ares(2022)6671963) – Info 11;
23. Replies to ECFIN R4's additional clarification questions received on 19 October providing clarifications on the temporary staff (RE: BG RFF - Audit strategy - 2 ) – Info 2

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

In line with the requirements of the Council Implementing Decision, the workload analysis (Annex 1) for the National Fund Directorate was approved by the Minister of Finance on 12 August 2022 (Annex 1a) and showed the main bottlenecks (the burden arising from the implementation of the RRP and the amended functions and responsibilities of the Central Coordination Unit), as well as the resources needs for the Directorate.

In line with the Council Implementing Decision, the workload analysis also developed a set of recommendations to address insufficient capacity taking the current available resources and tasks as a baseline, as follows:

- It is recommended that resources from different departments in the National Fund Directorate are diverted to create a RRF nucleus.

The recommendations of the workload analysis for the National Funds Directorate have been implemented in line with the requirements of the Council Implementing Decision, as follows:

- Sufficient resources are allocated to the RRF (31 out of 60 staff) in the new organisational set-up, thereby addressing recommendation 1.

In line with the requirements of the Council Implementing Decision, the workload analysis (Annex 2) for the Central Coordination Unit was approved by the Secretary-General of the Council of Ministers on 29 July 2022 (Annex 2) and showed the main bottlenecks (the burden arising from the implementation of the RRP and the amended functions and responsibilities of the Central Coordination Unit), as well as the resources needs for the Unit.

In line with the Council Implementing Decision, the workload analysis develops a set of recommendations to address insufficient capacity where necessary. In this case, since the closure of the '2021-2027' EU Funds and the RRP programming in the first half of 2022, frees up administrative capacity, there was no need recommend the assignment of additional posts. The recommendations concern the clear assignment of functions and the access to the IT system used for monitoring final recipients (Unified Management Information System, UMIS 2020) instead:

1. Explicitly entrust the Council of Ministers with the functions it performs in relation to the coordination of the RRP by means of a statute or regulation;
2. Incorporate the functions related to the coordination of the RRP into the functional feature of the Directorate;
3. Allocate the functions among the units in the Directorate according to the workflow dynamics and workload by function and tool;
4. Allocate the duties of user account administrators in the Central Employment Centre Directorate to provide access to UMIS 2020 to users in the monitoring and reporting entities or final recipients responsible for implementing investments and reforms financed under the RRP.

The recommendations of the workload analysis for the Central Coordination Unit have been implemented in line with the requirements of the Council Implementing Decision, as follows:

- The functional characteristics (Annex 5c), which have been approved by the General Secretary of the Council Of Ministers on 29 July and which clearly define areas of activity, functions (also per unit of the directorate) and tasks, thereby addressing recommendations 1, 2 and 3;
- The management procedure for user profiles is outlined (Annex 5d Unified Management Information System User Profile Management Procedure), thereby addressing recommendation 4.

In line with the requirements of the Council Implementing Decision, the workload analysis (Annex 3) for the Executive Agency 'Audit of EU funds' was approved by its Executive Director on November 2021 (Annex 3) and showed the main bottlenecks (the burden arising from the implementation of the RRP and the amended functions and responsibilities of Executive Agency 'Audit of EU funds'), as

well as the resources needs for the Agency. In this case, additional seven auditors are needed to fulfil all audit assignments. The additional resources are mainly required due to the new audit functions entrusted to the Agency in relation to the implementation of the RRP.

In line with the Council Implementing Decision, the workload analysis for the Executive Agency 'Audit of EU funds' develops a set of recommendations to address insufficient capacity taking the current available resources and tasks as a baseline, as follows:

1. Update the Rules of Procedures for the Audit Authority by:
  - i. assigning audit functions to the new programmes co-financed by the European Regional Development Fund, the European Social Fund +, the Cohesion Fund, Erasmus + and the European Solidarity Corps for the programming period 2021-2027 of the relevant audit directorates in view of the relevant Directorate's profile;
  - ii. entrusting the audit function for the Recovery and Resilience Plan under Regulation (EU) 2021/241 of the European Parliament and of the Council of 12 February 2021 establishing the Recovery and Resilience Facility.
2. Secure the necessary funding to hire additional audit resources under the RRF.

The recommendations of the workload analysis for the Executive Agency 'Audit of EU funds' have been implemented in line with the requirements of the Council Implementing Decision as follows:

The structural regulations for the Executive Agency 'Audit of EU Funds' have been amended in line with the requirements of the CID, and have entered into force on 30 June 2022. The Council of Ministers Decree No. 143 of 27 June 2022 (Annex 3a), published in the State Gazette 49 of 30 June 2022, amending and supplementing the Rules of Procedure of the Executive Agency 'Audit of EU Funds', adopted by Council of Ministers Decree No. 346 of 2008, defines the audit functions of different directorates, thereby addressing Recommendation 1.i (Article 21) and it entrusts the audit function for the RRP to the Audit Agency (Article 5), thereby addressing Recommendation 1.ii.

The Council Implementing Decision required that decisions on the allocation of the necessary resources shall take place before the first payment request on the basis of the workload analysis and its recommendations. The recruitment procedure was launched and orders of the Executive director of the Audit Agency to open positions were provided as evidence as well as links to the accompanying vacancy notices for the seven additional people published on the Audit Agency's website (Info 11 and Info 2). The fact that the recruitment procedure has been launched is considered to be sufficient evidence that a decision on the allocation of the necessary resources has been taken.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 286</b>	<b>Related Measure: C11.R1 Reform of the minimum income scheme</b>	
Name of the Milestone: Entry into force of the amendments to the secondary legislation of the Social Assistance Act		
<b>Qualitative Indicator:</b> Provision in the secondary legislation indicating the entry into force of the amendments to the Social Assistance Act		<b>Time:</b> Q1 2022
<b>Context:</b>		
Milestone 286 is part of a reform which aims to improve the adequacy and coverage of the minimum income scheme.		
This reform contains three milestones and one target, to be achieved between Q1 2022 and Q4		

2024. Milestone 286 requires the entry into force of amendments to secondary legislation which provide for the gradual increase of the minimum income thresholds for all the target groups (potential beneficiaries of the minimum income scheme) until 2024. It represents the initial step of the reform. This will be followed by the publication of an analysis of the minimum income scheme (milestone 287, Q4 2022), a comprehensive legislative package introducing: automatic annual update of the minimum income thresholds based on the at-risk-of-poverty threshold; changes to the eligibility criteria of the minimum income scheme; and legislative amendments to define and improve the activation of the economically inactive persons (milestone 288, Q4 2023). The reform also includes a target capturing the increase in the beneficiaries of the monthly minimum income support (milestone 289, Q4 2024).

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. A copy of the publication in the State Gazette No. 64 of 3 August 2021 of the legislative amendments to the secondary legislation through Decree No. 257 of 28 July 2021 amending the Regulation on the Implementation of the Social Assistance Act.

The authorities also provided:

3. A copy of the Regulation on the Implementation of the Social Assistance Act first adopted by Decree No. 243 of 05 November 1998;
4. Link to the Social Assistance Act, which was first published in State Gazette No. 56 of 19 May 1998;
5. State Budget Act of the Republic of Bulgaria for 2022, published in State Gazette No. 18 of 4 March 2022, which entered into force on 1 January 2022.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. Entry into force of the amendments to the secondary legislation of the Social Assistance Act.

Amendments §5 of Decree No. 257 indicates that the Decree containing the amendments entered into force on 1 January 2022, with a few exceptions for some provisions, which entered into force on the date of the publication on the State Gazette of the Decree, thus on 28 July 2021.

2. The amendments include a gradual increase of the percentages used for the computation of the income threshold of the minimum income scheme, the Differentiated Minimum Income (DMI):
  - for 2022: by an average coefficient of at least 1,10;
  - for 2023: by a coefficient of at least 1,365;
  - for 2024: by a coefficient of at least 1,224

Article 9(3) of the Regulation on the implementation of the Social Assistance Act specifies the percentages used for the computation of the income threshold of the minimum income, namely the Differentiated Minimum Income, for each target group. The amendments contained in Decree No. 257 provide for a gradual increase of the percentages for determining the Differentiated Minimum Income for each target group by amending Article 9(3) of the Regulation on the implementation of

the Social Assistance Act for the years 2022, 2023 and 2024. The increases of the percentages are specified in amendments §1 for 2022 and amendments §3 for 2023 and 2024 of Decree No. 257.

For 2022, the increase of the percentage for each target group is specified in amendments §1 and the average increase of the percentages corresponds to a coefficient of at least 1,10. This was obtained by (i) computing, for each target group, the ratio between the amended percentage and the percentage prior to the amendments, so to obtain a coefficient, and by (ii) taking the simple average of these coefficients across all target groups.

The coefficients for the years 2023 and 2024 are specified in amendments § 3. These coefficients apply to all groups and they correspond to the coefficients stated in the CID, namely 1,365 and 1,224.

In consideration of the foregoing, it is concluded that the amendments to the secondary legislation of the Social Assistance Act provide for a gradual increase of the percentages for determining the Differentiated Minimum Income. On this basis, it is considered that this constitutive element of the milestone is satisfactorily fulfilled.

3. The payment of the minimum income is financed by the Bulgarian state budget.

In addition, the Bulgarian authorities have provided evidence on other elements that are included in the description of the measure in the Council Implementing Decision. Notably, the Social Assistance Act, which regulates the provision of social support through social assistance benefits, and the State Budget Act for 2022. According to Article 24(1)(1) of the Social Assistance Act, social assistance, which includes the minimum income scheme, can be financed by funds from, *inter alia*, the state budget. According to the explanations of the authorities in the summary document, in practice, the state budget is the only source of funding for the payments under the minimum income scheme. For 2022, the State Budget Act allocates funds from the state budget for the payment of the minimum income scheme, as stipulated by Article 14, which covers the budget of the Ministry of Labour and Social Policy. In particular, provision 2(3) of this Article, which covers the ‘Policy area: social assistance and equality between women and men’ and, thus, includes the minimum income scheme, prescribes that the total amount allocated for this policy area is BGN 281 778 700. This demonstrates that the funding source for 2022 is the Bulgarian state budget.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 290</b>	<b>Related Measure: C11.R2 Reform of social services</b>	
Name of the Milestone: Entry into force of the Ordinance on the Quality of Social Services		
<b>Qualitative Indicator:</b> Provision in the ordinance indicating entry into force of the Ordinance on the Quality of Social Services		<b>Time:</b> Q2 2022
<b>Context:</b>		
<p>Milestone 290 is part of a reform which aims to improve the provision of social services in Bulgaria, including long-term care, in accordance with the Common European Guidelines on the transition from institutional to community-based care, the European Strategy of Persons with Disabilities 2021-2030, and the UN Convention on the Rights of Persons with Disabilities, in particular the principles of freedom of choice and independent living.</p> <p>Milestone 290 requires the entry into force of the Ordinance on the Quality of Social Services which outlines the minimum quality standards for the provision of social services. It represents the initial step in the implementation of the reform. This reform contains two milestones to be achieved between Q2 2022 and Q4 2023. The second milestone consists of the adoption of the National Map of Social Services (milestone 291, Q4 2023), which will include an analysis of the offer of social</p>		

services across the territory of Bulgaria.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. A copy of the publication in the State Gazette of the Ordinance on the Quality of Social Services. Due to its length, the Ordinance was published over three issues of the State Gazette, namely No. 48 of 28 June 2022, No. 49 of 30 June 2022 and No. 50 of 1 July 2022;
3. A copy of the results and official reference of the consultations organised for the preparation of the Ordinance on the Quality of Social Services;
4. Explanatory note including an analysis demonstrating how the ordinance reflects the Common European Guidelines on the transition from institutional to community-based care, the European Strategy of Persons with Disabilities 2021-2030, and the UN Convention on the Rights of Persons with Disabilities, in particular the principles of freedom of choice and independent living.

The authorities also provided:

5. Paragraph 35 of the Transitional and Final provisions of the Social Services Act, which was published in the State Gazette No. 24 on 22 March 2019 and entered into force on 1 July 2020.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. Entry into force of the Ordinance on the Quality of Social Services

Due to its length, the Ordinance on the Quality of Social Services (the Ordinance) was published over three issues of the State Gazette, namely No. 48 of 28 June 2022, No. 49 of 30 June 2022 and No. 50 of 1 July 2022 and entered into force in its entirety on 5 July 2022, three days after the publication of the third issue in the State Gazette.

2. The Ordinance on the Quality of Social Services outline the minimum quality standards for the provision of social services, as follows:

The Ordinance outlines the minimum quality standards for the provision of social services in Chapter 2 (Articles 4-13) and in the related annexes (Annexes 1-24) which cover the relevant standards. The social services covered are 'information and consultation', 'advocacy and mediation', 'community work', 'therapy and rehabilitation', 'skills training', 'support for the acquisition of labour skills', 'day care', 'residential care', 'shelter' and 'assistant support'.

3. The minimum quality standards cover:

- 3.1 the architectural requirements of new facilities providing residential care, including on the maximum number of users per facility providing social services and on the maximum number of users per bedroom. Users per bedroom shall be no more than two, as follows:

This element is addressed in the relevant annexes of the Ordinance. In particular, as indicated in Article 11 of the Ordinance, Annexes 10 to 17 covering residential care social services. For instance,

Annex 12, which covers residential care for adults with disabilities, includes standard 3 'Place of provision' and standard 4 'Specialised environment'.

- Standard 3 sets the requirements which ensure that the facility in which residential care is provided is located next to transport and several types of public services, such as medical facilities, other social and administrative services and shops, to ensure an adequate quality of life of the users of the facility. This architectural requirement is part of the architectural requirements set out by criterion 1 of standard 3;
- Standard 4 sets the requirements which ensure that the facility in which residential care is provided creates adequate living conditions and allows for effective support of the users. The architectural requirements of standard 4 include, among others, the following: (i) all users stay overnight in a room with no more than two sleeping places; (ii) at least one dining room (dining room) with appropriate furnishings (tables, chairs, etc.) in which at least half the users can be assembled; (iii) at least one room for daily activities in which all users can gather.

Section 'B. Detailed justification' of the Summary document includes a table containing the reference to the information on:

- The maximum number of users per type of facility, ranging from 6 in Annex 14 'Residential care for children with permanent disabilities in need of permanent medical care' to 120 in Annex 13 'Residential care for the elderly without disabilities'. The maximum number of users in Annex 12 'adults with disabilities' is 30;
- The maximum number of users per bedroom for each type of facility. According to the provisions of the Annexes to the Ordinance, the maximum number of users for each room must be two, except for two categories of children/youth, which are covered by Annex 10 and Annex 11, for which the Ordinance indicates that the maximum number of users per room must be two, if possible. Whilst this constitutes a minimal deviation from the requirement of the Council Implementing Decision, the Ordinance does apply to both existing and new facilities, going further than the requirements of the milestone. In addition, the maximum number of users per facility in these two cases is 12 overall, ensuring that the number of users per room is unlikely to substantially deviate from the CID requirement of two users per room and, thus, to fall outside an acceptable range for users who are children/youth. Finally, Bulgaria's current plans concerning the construction/renovation of new facilities providing residential care focus on residential care for adults with disabilities and older people, where the strict requirement of two users per room applies. Notably, investment C11.11 of the Bulgarian RRP, which complements this reform, covers the construction of new facilities providing residential care to adults with disabilities and the renovation of existing facilities to provide residential care to older people. For these reasons, it is considered that the nature of the reform has not changed and that the progress towards the achievement of the reform that the milestone represents is not affected.

3.2 the social services provided by the day-care facilities accompanying the facilities providing residential care, including counselling activities and therapy provided, as follows:

Annex 10 to Annex 17, which cover the standards for the facilities providing residential care, include the requirement that these facilities should be placed in the proximity of other social services. As indicated above, criterion 1 of Standard 3 establishes that the facility in which residential care is provided is to be located next to transport and other types of public services, such as medical facilities, shops and other social and administrative services. The social services can be of several types -including day-care, social service of information and consultation, as well as therapy and



rehabilitation- and their standards are addressed in the relevant annexes of the Ordinance. In particular, as explained in Articles 4 to 10 of the Ordinance, as well as section 'B. Detailed justification' of the Summary document, these annexes are Annex 1 to Annex 9. They cover the following social services: social service of information and consultation (Annex 1 and Annex 2); advocacy and Mediation (Annex 3); community work (Annex 4); therapy and rehabilitation (Annex 5); skills training (Annex 1 and Annex 6); support for the acquisition of labour skills (Annex 7); day care (Annex 8 and Annex 9).

For instance:

- Annex 2 sets out, amongst others, standards, and thus requirements, on the place of provision (that there should be no architectural barriers); on the environment (that at least one room is designated for group work); as well as standards on safety and security (that there is a designated emergency exit);
- Annex 5 sets out, amongst others, standards, and thus requirements, on the organisation of activities (that the main activities for each user are written in an individual work schedule); on the environment (that there is at least one rehabilitation room of at least 25 m<sup>2</sup>); as well as confidentiality and security of information (that those wishing to use the social service (parents/legal representatives) have signed a 'Declaration of Consent for the provision and processing of personal data').

### 3.3 the requirements for the modernisation of existing facilities providing residential care, including residential care homes for older people, as follows:

The annexes of the Ordinance, in particular Annexes 10 to 17, set out the standards which apply to the different types of residential care, thus also setting the requirements for their modernisation.

Following the deinstitutionalisation plans of Bulgaria, and the consequent closure of some buildings, most of the facilities providing residential care have either been or will be built according to these standards. This concerns, for example, residential care facilities for people with disabilities and/or children. On the other hand, the homes for older people will need to be reformed to qualify as residential care for older people.

Therefore, the authorities have also submitted paragraph 35 of the Transitional and Final provisions of the Social Services Act, which states that the homes for older people which existed before the entry into force of this Act shall be reformed/modernised in accordance with the quality standards set out in the Ordinance, in order to qualify as facilities providing residential care for older people. As explained in Article 11 of the Ordinance as well as section 'B. Detailed justification' of the summary document, the relevant annex setting the standards for the social service –residential care for older people without disabilities- is Annex 13 of the Ordinance.

Amongst others, Annex 13 sets out standards and, thus requirements, on the organisation of the activities at the residential facilities (for instance, requiring that sufficient staff is available at any time of the day); on the environment (for instance, that all users stay overnight in a room with no more than two sleeping places); as well as on health and nutrition( for example, that all consumers have a health care plan tailored to their needs).

#### 4. In addition, the ordinance shall cover:

- i) the procedures for monitoring and evaluating the provision of social services by responsible entities;

As explained in section 'B. Detailed justification' of the Summary document, Chapter 4 of the Ordinance regulates the procedure for control, monitoring and evaluation of the quality and effectiveness of social services. In particular:

- Control, monitoring and evaluation by social service providers are regulated by Articles 21 to 26 of the Ordinance. In particular, Article 24 specifies that the social service provider must periodically monitor the quality of the services provided. In this respect, the provider must, amongst other actions, gather systematic feedback from service users and their family members through a consultation, organise monthly team meetings and carry out periodic reviews on how funds from the state and/or municipal budget are spent;
- Control, monitoring and evaluation at local level by the municipality are regulated by Articles 27 to 35 of the Ordinance. Particularly, Article 35 establishes the annual monitoring of the effectiveness of social services carried out by the Municipality and specifies that, in case of weaknesses or violations of the quality standards of social services action must be taken to improve the quality of the service(s);
- Control, monitoring and evaluation at the national level by the Agency for the Quality of Social Services are regulated by Articles 36 to 57 of the Ordinance. Specifically, Article 55 regulates the annual monitoring of the effectiveness of social services carried out by the Agency for the Quality of Social Services, which includes conducting interviews with persons using social services and with their relatives and/or legal representatives for gathering information on their assessment of the quality of services.

- ii) the standards for the qualifications and professional development of the personnel providing social services.

The standards for the qualifications and professional development of the personnel providing social services are covered in each of the 25 annexes of the Ordinance. As explained in section 'B. Detailed justification' of the summary document, to each type of social services correspond requirements regarding the number and qualification of employees carrying out activities in the provision of social services, as well as requirements on professional and career development.

For example, Annex 12, which covers the standards for the social service 'Residential care for persons with disabilities', sets out, *inter alia*, the standard on the employee development, covering the requirement that staff have access to training programmes and training courses corresponding to their assigned duties and responsibilities in their job descriptions; that every new employee with no experience in the social services system has a mentor appointed for a period of 6 months from the date of appointment; and that Employees have undergone individual supervision from an external specialist for the service at least twice a year (for the last 12 months).

5. The objective of the reform is to improve the provision of social services, including long-term care, in Bulgaria, in accordance with the Common European Guidelines on the transition from institutional to community-based care, the European Strategy of Persons with Disabilities 2021-2030, and the UN Convention on the Rights of Persons with Disabilities (UNCRPD), in particular the principles of freedom of choice and independent living.

The Bulgarian authorities provided an explanatory note which includes tables whereby the authorities have indicated, for each article and principle of the Common European Guidelines on the transition from institutional to community-based care, of the European Strategy of Persons with Disabilities 2021-2030 and of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), the standard included in the Ordinance that incorporates the key element of the corresponding article and principle from these three instruments. This correlation is done for all articles and principles of the Common European Guidelines on the transition from institutional to

community-based care, the European Strategy of Persons with Disabilities 2021-2030, and the UN Convention on the Rights of Persons with Disabilities (UNCRPD) which are relevant for the subject-matter of the Ordinance. For instance, Article 19 of the UN Convention on the Rights of Persons with Disabilities (UNCRPD), which covers the principle of freedom of choice and independent living, has been matched to the corresponding standard: ‘Standard 7 –working with the community’.

6. The reform has been developed with relevant social partners, as follows:

The Ordinance has been developed following public consultations, allowing social partners, as well as individuals and other potential stakeholders, to submit suggestions and opinions and, therefore, to contribute to the development of the Ordinance. The Draft Decree of the Council of Ministers on the adoption of an Ordinance on the Quality of Social Services was published on 8 April 2022 for discussion and public consultation.<sup>13</sup> The copy of the results of the consultations organised for the preparation of the Ordinance on the Quality of Social Services, contains the following information:

- Organisation/user submitting the opinion (including how the opinion was received);
- Opinion(s) (17 in total);
- Whether the opinion was accepted/rejected;
- Reason for accepting/rejecting the opinion.

This information allows to discern how the opinions submitted during the public consultations were reflected in the development of the Ordinance. For instance, opinion 9, submitted via the public consultation portal, focused on the social service providing shelter to children in a crisis situation (Annex 23). One of the comments is that the time limit of 3 months per year for the total stay in the social service providing shelter, which is covered by standard 12, in particular in the case of children in the street, is inadequate. As this comment was accepted by the Bulgarian authorities, it has been incorporated in the Ordinance by extending the time limit to 6 months.

**Commission Preliminary Assessment:** Satisfactorily fulfilled

<b>Number: 315</b>	<b>Related Measure: C12.R1 Upgrading the strategic framework of the healthcare sector</b>	
Name of the Milestone: National Strategy for the Mental Health of Citizens of the Republic of Bulgaria 2021-2030 and action plan for the implementation of the strategy		
<b>Qualitative Indicator:</b> Adoption of the strategy and the action plan by the Council of Ministers		<b>Time:</b> Q2 2021
<b>Context:</b>		
Milestone 315 is part of a reform which aims to provide the strategic underpinning of future investments and reforms in the field of healthcare by identifying relevant recommendations and actions. As such, the reform includes the adoption of a number of strategies and plans, covering relevant healthcare areas.		
Milestone 315 requires the adoption by the Council of Ministers of the National Strategy for Mental Health of the Citizens of the Republic of Bulgaria 2021-2030 and of its action plan. It is the first milestone of this reform, which contains a total of 6 milestones to be achieved between Q2 2021 and Q1 2023. Milestone 315 will be followed by the adoption of the:		
<ul style="list-style-type: none"> <li>- National Map of the long-term Needs of the Healthcare Sector (milestone 316, Q3 2022);</li> <li>- National Health Strategy 2021-2030 and its action plan (milestone 317, Q3 2022);</li> </ul>		

<sup>13</sup> <https://www.strategy.bg/PublicConsultations/View.aspx?@lang=bg-BG&Id=6743>

- National Strategy for Child and Adolescent Health and Paediatric Care in the Republic of Bulgaria 2021-2030 and its action plan (milestone 318, Q4 2022);
- National Plan for Combating Cancer in the Republic of Bulgaria 2021-2027 (milestone 319, Q4 2022);
- National Strategy for Healthy Geriatric Care and Ageing in the Republic of Bulgaria 2021-2030 and its action plan (milestone 320, Q1 2023).

In addition, the Plan for restructuring of hospital care will be adopted.

**Evidence provided:**

In line with the verification mechanism set out in the Operational Arrangements, the following evidence was provided:

1. Summary document duly justifying how the milestone (including all the constitutive elements) was satisfactorily fulfilled;
2. Copy of the decision by the Council of Ministers No. 388 adopting the Strategy and the action plan;
3. Copy of the adopted National Strategy for the Mental Health of Citizens of the Republic of Bulgaria 2021 – 2030; and
4. Copy of the adopted action plan for the implementation of the National Strategy for the Mental Health of Citizens of the Republic of Bulgaria;
5. A link where both the Strategy and the action plan can be accessed.

**Analysis:**

The justification and substantiating evidence provided by the Bulgarian authorities cover all constitutive elements of the milestone. In particular:

1. Adoption of the Strategy and of the action plan by the Council of Ministers

The National Strategy for the Mental Health of Citizens of the Republic of Bulgaria 2021-2030 ('the Strategy') and the action plan for the implementation of the Strategy, the latter being Annex 11.1 of the Strategy, were adopted on 23 April 2021 through Council of Ministers Decision No. 388.

2. The National Strategy for the Mental Health of Citizens of the Republic of Bulgaria 2021-2030 sets out the strategic goals and priorities over a ten-year period and provide recommendations, as follows:

The Strategy:

- specifies the time limit for the implementation of the Strategy to be 2030 in Section 10 'Time and limit for implementation';
- sets out ten strategic goals and priorities in Section 5.4.'Strategic objectives'. They cover, *inter alia*, integration of psychiatric services into general medical care (deinstitutionalisation), establishment of a network of services to provide services close to the place of residence and centres for the treatment of dietary disorders, and developing measures and incentives to attract specialists in psychiatry ;
- includes 26 recommendations in Section 5.5 'activities to achieve these objectives'. They cover, *inter alia*, an assessment of the population's needs for mental health services and their provision at territorial level, trainings of specialists in psychiatry, and the opening and re-basing of psychiatric facilities based on an assessment of the needs for mental health services at territorial level.

The Strategy covers:

1.1. The integration of psychiatric care into community-based and at-home service provision (deinstitutionalisation) for people suffering from mental illness and eating disorders, as follows:

The strategic goals set out in Section 5.4. 'Strategic objectives' of the Strategy which address this element are:

- *Integration of psychiatric services into general medical care (deinstitutionalisation).*
  - This strategic goal covers the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy that cover the development of prevention and early intervention programs and trainings on psychosis, harmful alcohol and drug use, and on the provision of psychosocial intervention. The trainings target medical personnel as well as social workers, thus fostering the integration of mental health services into general medical care ;
- *Establishment of a network of services to provide comprehensive services to people with a severe mental illness close to the place of residence, and establishment of centres for the treatment of dietary disorders.*
  - This strategic goal concerns the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy which foster the reorganisation of the provision of psychiatric care by establishing and relocating facilities, including facilities which target dietary disorders, so that psychiatric care can be provided close to the patients' place of residence. In particular, the opening of community-based structures called Mental Health Centres - in all the county cities of the country fosters deinstitutionalisation as the Mental Health Centres provide outpatient treatment and rehabilitation, thus reducing the need for hospitalisation.

Considering that the network of services is established to provide comprehensive services to people with a severe mental illnesses and based on the content of the services (*inter alia*, facilities which target dietary disorders), it can be concluded that the integration of psychiatric care into community-based and at-home service provision targets people suffering from mental illness and eating disorders.

1.2. Shortages of staff working in the field of mental health, as follows:

The strategic goals set out in Section 5.4.'Strategic objectives' of the Strategy which address this element are:

- *Develop concrete measures and incentives to attract and retain specialists in childhood/adolescent psychiatry, forensic psychiatry and advanced psychiatry.*
  - This strategic goal covers the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy, which focus on trainings targeting healthcare professionals and social workers in the fields of childhood, adolescent and forensic psychiatry;
- *Improving the ratio between individual professionals — psychiatrists, social workers psychologists, nurses and orderlies — with the development of relevant incentives to attract professionals in fields with shortages of professionals.*
  - This strategic goal covers the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy which include the regular upgrading of professional qualifications, in line with the requirements at European level, the creation of jobs for clinical psychologists and social workers in psychiatric hospitals and the update of the postgraduate training programmes in psychiatry by including

clinical psychology.

As these recommendations focus on human resources development in the field of mental health, it can be concluded that they foster an increase in the number of specialists with relevant competencies, thus fulfilling this constitutive element.

1.3. Renovation needs of the facilities providing psychiatric care, as follows:

The strategic goals set out in Section 5.4. 'Strategic objectives' of the Strategy which address this element are:

- *Reduction in morbidity and mortality from mental disorders.*
  - This strategic goal concerns the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy, which include an analysis of the needs of the psychiatric sector. This analysis is meant to serve as basis for the identification of the renovations and equipment needs of the facilities providing psychiatric care;
- *Establishment of a network of services to provide comprehensive services to people with a severe mental illness close to the place of residence and establishment of centres for the treatment of dietary disorders.*
  - This strategic goal covers recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy which concern the renovation or relocation of existing facilities, as well as the establishment of new ones, so that psychiatric care can be provided close to the patients' place of residence.

1.4. The main problems faced by the psychiatric care system in the country, including outdated equipment and facilities, as follows:

The challenges of the psychiatric healthcare system are summarised in section 4 of the Strategy. Some of them are: lack of an integrated approach (which would combine medical and social services) in the field of mental health, underfunding of psychiatric healthcare and difficulty in accessing psychiatric services in an emergency situation.

With regards to the outdated equipment, this point is addressed in the context of the renovations or relocation of the facilities providing psychiatric care. As indicated in rows 28, 30, 31 and 32 of the action plan for the implementation of the Strategy, which correspond to actions concerning the renovation or relocation of psychiatric facilities, the delivery of equipment follows the construction works needed to renovate or relocate the facilities providing psychiatric care. .

3. The action plan formulates measures and actions, including their timeline, to implement the recommendations of the strategy, as follows:

First, the measures and actions to implement the Strategy are organised by strategic objectives, which are those that are also set out in the Strategy (section 5.4 'Strategic objectives'), with some exceptions. The actions related to these strategic objectives overlap with actions for the implementation of other strategic objectives, therefore ensuring their coverage.

Second, as the recommendations listed in Section 5.5 'activities to achieve these objectives' of the Strategy also stem from the strategic objectives of the Strategy, this implies that the measures and actions of the action plan cover the recommendations of the strategy. Therefore, it can be concluded that the measures and actions of the action plan foster the implementation of the recommendations of the Strategy.

For instance, one of the recommendations of the Strategy is to carry out an assessment of the provision of mental health services at territorial level, which is matched in the action plan by the action presented in row 9 under strategic objective 'reduction in morbidity and mortality from mental health disorders', namely 'an assessment of the needs of the population (general and dependent psychiatric areas) for mental health services and their provision at territorial level will be carried out, together with an analysis of the number of adults and children in need of specialised social services, in order to determine the number and territorial distribution of services by the municipality, as well as the number of professionals to be involved. The Ministry of Health, the Ministry of Labour and Social Policy and the National Association of Municipalities of the Republic of Bulgaria should play a key role in the analysis.

The action plan also includes a column named 'time limit', which indicates the timeline for the implementation of each action. When the indicator 'permanent' is included, it means that the effects of the change will go beyond the end of the period allocated to the implementation of the Strategy, which is indicated in section 10 of the Strategy and is 2030. This applies, for instance, to changes in the legislation.

**Commission Preliminary Assessment:** Satisfactorily fulfilled