



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

RESOLUTION

of the Economic and Social Council

on the draft

"National Recovery and Resilience Plan of the Republic of Bulgaria"

(own-initiative resolution)

Sofia, April, 2021

The Economic and Social Council of the Republic of Bulgaria included in its Action Plan in 2021 the elaboration of permanent opinions on the "National Recovery and Resilience Plan: Implementation and Mechanisms for Monitoring and Participation of Organised Civil Society", linked to the stages of the adoption of the Plan.

The drafting of the opinions was assigned to the Economic Policy Commission, the Sustainable Development, Agriculture, the Environment and Regional Policy Commission and the Social Policy Commission.

Radosvet Radev - member of ESC from group I, Plamen Dimitrov - member of ESC from group II and Bogomil Nikolov - member of ESC from group III were appointed rapporteurs.

The President's Board at its meeting of 9 April 2021 decided to develop a short resolution on the draft "National Recovery and Resilience Plan of the Republic of Bulgaria".

At the plenary session held on 21 April 2021 The Economic and Social Council adopted the resolution.

1.1. On 30 October 2020 the first version of the draft National Recovery and Resilience Plan of the Republic of Bulgaria (NRRP) was published. The document is essential because it creates an unprecedented opportunity for recovery and sustainable development of the Bulgarian economy, conditions for economic growth and the creation of new, better jobs.

1.2. The social partners actively participated in the consultation process concerning the reforms and investments proposed in the Plan. At its plenary session on 1 December 2020, the Economic and Social Council (ESC) adopted an opinion containing the common vision of the social partners and the civil society organisations represented in the ESC. On 8 February 2021 the second version of NRRP was published, and on 16 April 2021 - the third version of NRRP came out containing a significant part of the recommendations presented in the opinion of the ESC.

1.3. ESC draws attention to the fact that the Consolidated Fiscal Programme reports a deficit of over 600 million BGN as of the first quarter of the year. The last time that such a deficit was reported was in 2014. This calls into question the possibility of the budget to continue to finance measures to support the economy, employment and income. At the same time, the economic pressure on businesses and workers as a result of the anti-epidemic measures is not diminishing.

1.4. Due to these reasons, our country needs to make the most of the opportunities under low-interest loans amounting to at least 1.5 billion BGN of the total available 4.5 billion EUR under the NRRP, as well as the opportunities provided by the employment support instrument "SURE".

1.5. Taking into account the advanced phase of completion of the Plan, ESC calls for a consensus between the political forces on the need for it to be submitted for approval by the EC within the deadline - 30 April 2021. This would allow the first amounts to be received as early as in July 2021. Missing this deadline will lead to significant delays, while both businesses and households will be in great need for funding. The most important thing for businesses and employees is when the resource under the NRRP will become available for effective use. Therefore, ESC insists on a clear commitment to a timeline for its formal submission for approval.

1.6. Assessing the advanced phase of completion and coherence with the EC of the NRRP, ESC proposes to include the following proposals in the final version:

1.6.1. To include a generalised indicator reflecting the real degree of convergence towards average European income and GDP levels. It is also necessary to envisage indicators for dealing with the demographic crisis, in accordance with the National Tripartite Agreement. Among the main effects of the implementation of the NRRP should be the promotion of quality employment and the reduction of inequalities.

1.6.2. To provide an additional 400 million BGN for the creation at the proposal of ESC of three new funds ("Technological Modernisation", "Green Transition" and "Digitisation") in the new element of Pillar 1: Programme for Economic Transformation. This will allow the total amount to increase to 1.3 billion BGN compared to the current 900 million BGN. These funds could be provided by transforming a similar resource from other areas of grants into low-interest loans.

1.6.3. To provide an additional 210 million BGN to the newly created component at the request of the social partners, providing a large-scale voucher programme for the acquisition of basic digital skills. Thus, the total amount of financial support will increase to 500 million BGN, which will allow at least 1/3 of the employees in Bulgaria to be covered by this programme.

1.6.4. To provide a resource of at least 700 million BGN to promote the production and storage of electricity from renewable energy sources for the own needs of enterprises and households while guaranteeing 100% financing for energy-poor households. These funds can be provided by transforming a similar resource for energy efficiency of buildings from grants into low-interest loans.

1.7. ESC reminds that it is necessary to manage the investment under the NRRP in accordance with the principles of partnership. This would allow the involvement of the social partners in a transparent way in decision-making. This will ensure an adequate and timely process of control and feedback between stakeholders.

1.8. ESC draws attention to the fact that, as a rule, NRRP should be submitted for approval by 30 April 2021. In this regard, ESC calls for reaching a consensus for the approval and submission of the NRRP as it is a matter of national importance and concerns society as a whole. In this context, ESC insists on confirming the public consensus for the submission of the NRRP to the EC by the end of April, so that it can be considered and approved after a decision of the Summer European Council, and Bulgaria can receive funds by the autumn of 2021.

signed by Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL