



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

ON:

**"Updated version of the Partnership Agreement.
Programs for Program Period 2021 - 2027"**

(developed by own-initiative)

**Sofia,
July 2022**

The Activity Plan of the Economic and Social Council for 2022 includes the preparation of an own-initiative opinion on the topic "Updated version of the Agreement for Partnership. Programs for Program Period 2021 - 2027."

The opinion was distributed to the permanent Commission on European Policies and the European Process at the ESC. Group I - Milena Angelova, Group II - Aleksander Zagorov and Group III - Kostadin Kolarov were designated as rapporteurs.

At two meetings of the Commission on European Policies and European Process at the ESC on 30.06.2022 and on 11.07.2022, the draft opinion was discussed and accepted for submission on the plenary session of the ESC.

At its plenary session held on 22.07.2022, the ESC adopted this opinion.

1. Conclusions and Recommendations

- 1.1. The Economic and Social Council (ESC) of the Republic of Bulgaria actively participates in the preparation process of both the National Recovery and Sustainability Plan (NRSP) and the Partnership Agreement (PA) for the program period 2021 - 2027, as well as the programs thereto¹. Given the significant financial resources that Bulgaria receives from them, the ESC insists that these funds be spent in an objective and fair manner, with full publicity and transparency of all procedures, decisions and actions of the state institutions, and declares its readiness to actively participate in this process. Adequate investment - in cooperation with social partners and interested parties - of this resource should be carried out as a matter of urgency due to the immediate need to support the Bulgarian economy and enterprises and households, so that they can respond successfully to the new challenges associated with the rapid and difficult to predict increase in electricity, energy and fuel prices and with supply chains disrupted due to the ongoing Covid-19 pandemic, the military conflict between Russia and Ukraine and imposed sanctions, pressure on coal plants and higher allowance prices for greenhouse gas emissions in order to accelerate the achievement of climate neutrality goals, increasing inflation, as well as other economic factors².
- 1.2. The ESC expects the preparation and overall completion and review of the regulations regarding the future spending of funds under the European funds and other financial mechanisms to be carried out in a short period of time, and the ESC will be a constructive participant in this process. The ESC sent its opinion, with which it proposes that the issues related to monitoring, development, reporting, implementation, awarding and provision of non-grant financial assistance should be settled in a common framework with the necessary criteria for complementarity and synergy and, accordingly, for adequate demarcation of interventions. This framework should ensure specific and clear tracking and binding of measures and activities under all strategic documents, programs and plans in order to achieve the implementation of horizontal priorities. This framework, together with the separate normative acts that make it up, should be discussed separately and with the social partners in the National Council for

¹ Opinions of the ESC "Proposals of the ESC in connection with the preparation of the Recovery and Sustainability Plan of the Republic of Bulgaria" (December, 2020) and "The Partnership Agreement and its Programs for the Program Period 2021 - 2027 (May, 2021).

² Such as the increased demand for electricity and gas related to the recovery of economies from Covid-19; the lack of wind in Western Europe in the summer of 2021, which affected the production of electricity from RES; increased natural gas prices as a result of the economic recovery and low gas storage reserves in Europe. Opinion of the ESC: "EU Strategy for Liberalization and Integration of the Energy System - Tasks and Prospects for Bulgaria." Effect on energy poverty and measures to overcome it." (April, 2021).

Tripartite Cooperation (NCTC) or another appropriate format due to its key importance for the socio-economic conditions in the country. After its adoption, the investments provided for in the RAP should be implemented without further delay, as they are aimed at the implementation of important reforms and are the basis for the successful implementation of operations within the framework of the Partnership Agreement programs.

- 1.3. The ESC emphasizes that during the last two years, Bulgarian citizens and Bulgarian businesses were faced with unprecedentedly challenging conditions for work and economic development, which negatively affected all participants in the economic and social life of the country. The timid recovery of the economy in 2021 was further hampered by the sharp rise in electricity prices on the one hand, and on the other - in 2022 - by the increase in fuel prices due to the conflict between Ukraine and Russia.
- 1.4. In order for citizens, businesses and the economy of the country to withstand the new challenges, as well as to fulfil the ambitious goals set in connection with the implementation of the Green Pact and the priority goals of the European Union (EU), very good planning should be carried out for the resources provided by the European funds, including under the NRSP.
- 1.5. The ESC firmly believes that transparency and efficiency in the use of financial resources can only be achieved through equal representation of the state and the social partners in the management and control bodies of the relevant programs, as well as the Recovery and Sustainability Mechanism. ESC welcomes the signing of the Partnership Agreement - on 6th July 2022, which officially begins the implementation of its programs. Due to the substantial delay in the launch of the programs for the current program period, the ESC presents proposals for priority operations in support of Bulgarian business and employment, which provide the opportunity for the Managing Authorities to start the implementation of the programs from the new program period 2021 - 2027. They should be included in the development of the first Indicative Annual Work Programs for the period 2022 - 2023, and for some of them sample selection criteria have been proposed (Appendix 1).

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Zornitsa Roussinova

PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL