



Republic of Bulgaria  
ECONOMIC  
AND SOCIAL COUNCIL

## **OPINION**

**on:**

**"Policies and measures to increase the awareness and readiness of Bulgarian enterprises to successfully carry out a climate-neutral transformation"**

(developed on own initiative)

**Sofia,  
October 2022**

The Activity Plan of the Economic and Social Council of the Republic of Bulgaria for 2022 includes the preparation of an opinion on its own initiative on the topic "Policies and measures to increase the awareness and readiness of Bulgarian enterprises to successfully carry out a climate-neutral transformation".

The opinion was assigned to the to the Commission on Economic Policy and the Commission on Sustainable Development, Agriculture, Environment and Regional Policies.

Milena Angelova - from Group I, and Ognyan Atanasov - from Group II were appointed as rapporteurs.

At joint meetings of both Commissions on 19.09.2022 and 27.09.2022 the draft of the opinion was adopted.

At its Plenary Session held on 24.10.2022, the Economic and Social Council adopted this opinion.

## ABBREVIATIONS USED

JSC	Joint-stock company
EA	Employment Agency
RES	Renewable energy sources
EGD	European Green Deal
EU	European Union
ESIF	European structural and investment funds
LASLROOP	Law on Amendments and Supplements to the Law on Reserves of Oil and Oil Products
LPOS	Law on Public Offering of Securities
ESC	Economic and Social Council
LSP	Limited shareholder partnership
MoI	Ministry of the Interior
MSME	Micro, small and medium enterprises
OECD	Organization for Economic Co-operation and Development
CPD	Continuing professional development

## **1. Conclusions and recommendations**

- 1.1. The Economic and Social Council of the Republic of Bulgaria (ESC) supports the goals of achieving sustainability and climate neutrality. Micro, small and medium-sized enterprises, including those from the actual manufacturing sector, traditional, family and social economy enterprises, artisans and freelancers (hereafter referred to as MSMEs), are an essential part of the solution to building a competitive, climate-neutral, circular and inclusive economy of Bulgaria provided the right conditions are created and prevail. MSMEs generate positive impact by improving their own environmental performance and by providing expertise and solutions to other businesses, citizens and the public sector.
- 1.2. MSMEs lack knowledge of the ever-changing legislative requirements aimed at achieving climate neutrality and how to respond to these. They face difficulties in determining the potential business benefits and opportunities provided by the environmental transition. That is why the ESC insists on urgent, wide-ranging and targeted measures to inform MSMEs about the requirements related to the transition to sustainability and to increase their understanding and capabilities to manage the environmental transition in a way that will allow them to maintain and develop their competitiveness. These measures must be provided in a coordinated and complementary manner by all responsible institutions in Bulgaria, together with business organisations, chambers, social partners and other interested parties.
- 1.3. The ESC insists on the development and implementation of a comprehensive program aimed at assisting MSMEs in all issues they face in their business operations and environmentally friendly activities and compliance activities to successfully transition to a carbon neutral economy. Since there are significant differences between MSMEs, highly individualized solutions and well-targeted policies and measures are required. Such programs should be funded under the technical assistance components of the Partnership Agreement programs as well as from other public sources.
- 1.4. Immediate and targeted short-term support for MSMEs is essential to boost their economic recovery from the pandemic and to help them deal with the consequences of the conflict in Ukraine, such as high electricity and gas prices, and lack of supply of

materials and products. Due to the extraordinary circumstances, the ESC considers that Bulgaria should request from the EU that it be granted appropriate flexibility in the timetables for the implementation of the European Green Deal (EGD) objectives for the period until the end of the crisis, while ensuring that the objectives are not abandoned.

- 1.5. In order to improve the resource efficiency of MSMEs, the ESC proposes to establish, in cooperation with their representatives, regional authorities and other stakeholders, "circular economy promotion centres" in the planning regions. In this way, cooperation between companies in different sectors will be strengthened and the development of new practices and processes will be facilitated, including the demonstration of new technologies. MSME organisations, chambers, academia, social partners and other stakeholders should be an integral part of the process.
- 1.6. The ESC considers it important to involve representatives of MSMEs in the preparation of sectoral climate action roadmaps at national level, as well as in shaping transition pathways for different business ecosystems, thereby also increasing knowledge about the exchange of best practices, the proper allocation of resources and effective implementation.
- 1.7. The ESC calls on competent government authorities to accelerate green investments by MSMEs by providing a favourable, predictable and encouraging regulatory environment, including smooth permitting procedures and avoiding burdensome administrative duties, as well as by providing quick, easy, simple and traceable access to financing, tailored to the different needs of all the different groups of MSMEs.
- 1.8. The ESC considers that the risks of climate change and the vulnerability of economic sectors require the development and implementation of adaptation measures for businesses, both in terms of awareness and knowledge of its costs and benefits, and of possible sources of financing. The ESC recommends that the National Strategy for Adaptation to Climate Change and the Action Plan until 2030 be used when developing the priorities for adaptation of enterprises to climate change.
- 1.9. The ESC calls for close cooperation between education providers and MSMEs in the design of trainings to meet the competence and skill needs required in the environmental transition, including through increased qualification and retraining of both employees and entrepreneurs. In addition, the ESC calls for supporting innovation activities for MSMEs

by stimulating and facilitating cooperation with other enterprises, their organizations, chambers, universities and research organisations.

- 1.10. The ESC urges the promotion of the commercialisation of green solutions offered by MSMEs, by providing MSMEs with a level playing field in the single market and by facilitating their access to foreign markets for green products, technologies and services. Taking into account the role of large enterprises in common development processes, the ESC recommends planning support measures and targeted actions to synchronise efforts to achieve new low-emission applications between individual economic entities within supply chains, by encouraging the application of unified approaches when awarding orders to subcontractors and allocating resources to build adequate specialized productions and services provided by MSMEs. A competitive business environment should be ensured for Bulgarian enterprises also in relation to third countries, using all means of diplomacy, including in the field of climate, resource and trade policy, and paying special attention to the actions of China and other rapidly developing markets.

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PRESIDENT OF THE ECONOMIC AND SOCIAL COUNCIL