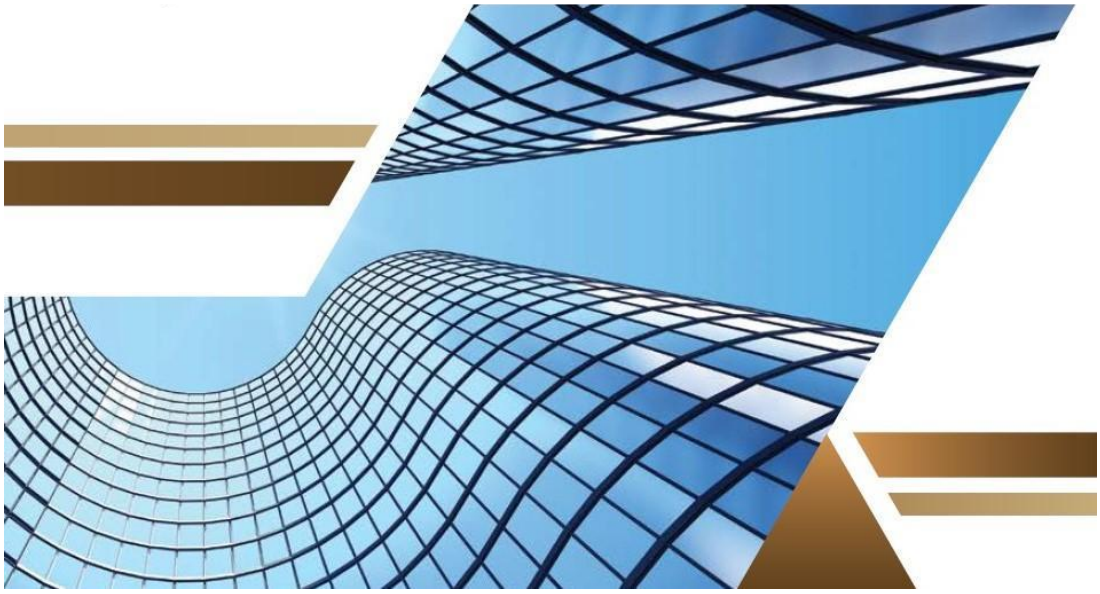
Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL



ANNUAL ACTIVITY REPORT

OF THE ECONOMIC AND SOCIAL COUNCIL

FOR 2025

January 2026

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This document has been prepared pursuant to Article 23 of the ESC Act and Article 15(1), point 3 of the ESC Rules of Procedure and presents the main activities of the Economic and Social Council (ESC) in 2025. The activities carried out and reported by the Council are in accordance with Articles 3, 4, 5 and 20 of the ESC Act.

I. REFLECTION OF THE COUNCIL'S PRIORITIES IN THE ACTS DRAWN UP

The Economic and Social Council (ESC) has established itself as an independent consultative body expressing the will of organised civil society on key economic and social issues for Bulgaria.

The ESC Activity Plan for 2025 includes acts that are in line with the strategic priorities adopted by the Plenary Session:

- The European Green Deal and the sustainable development of Bulgaria;
- Technological transformation and digitalisation of the economy and society;
- The European Pillar of Social Rights (EPSR) – the European Pillar of Social Rights Action Plan and its projection onto Bulgaria's first national plan.

In 2025 the ESC reaffirmed its commitment to representing the diverse interests of Bulgarian citizens while demonstrating the will of all members of the Council to contribute to a greener, fairer and more technologically advanced Bulgaria.

II. ACTS OF THE ECONOMIC AND SOCIAL COUNCIL DRAWN UP AND ADOPTED IN 2025

In 2025 the ESC drew up and adopted 13 analyses, 7 opinions, 4 resolutions and 1 declaration on topical economic and social issues. Annex 1 to this report contains summaries of all the acts adopted during the reporting year.

1. Acts of the Economic and Social Council at the request of the National Assembly, the President of the Republic and the Council of Ministers

Pursuant to Article 5(1) of the Economic and Social Council Act, during the reporting period the ESC received four requests from the National Assembly to draw up acts. The Council of Ministers entrusted the ESC with carrying out communication activities to support public awareness in connection with Bulgaria's accession to the euro area (Council of Ministers Decree No 333 of 1 October 2024 amending and supplementing Council of Ministers Decree No 480 of 2022 approving additional expenditure under the budget of the Ministry of Finance for 2022, as amended and supplemented, State Gazette No 37 of 25 April 2023, as amended and supplemented, State Gazette No 50 of 9 June 2023, as amended and supplemented, State Gazette No 84 of 4 October 2024, as amended, State Gazette No 73 of 5 September 2025).

1.1. Acts drawn up at the request of the Speaker of the 51st National Assembly:

- **"Analysis of the Extent of Inequality in Bulgarian Society" (BG), drawn up at the request of the Speaker of the 51st National Assembly, adopted at the Plenary Session on 28.05.2025.**

- **"Analysis of Regional Imbalances in Labour Demand, Overall and by Main Economic Sector, Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG), drawn up at the request of the Speaker of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025.**

- **"Analysis of the Problems of Seasonal Employment in Bulgaria – Duration, Sustained Employment, Income and Social Insurance, Qualifications of Employed Persons" (BG), drawn up at the request of the Speaker of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025.**

➢ **Analysis "Reproduction of the Labour Force in Occupations Underpinning Key Economic and Public Sectors" (BG), at the request of the Speaker of the 51st National Assembly.**

2. Acts drawn up on the Council's own initiative pursuant to Article 5(3) of the ESC Act

➢ **Resolution of the Economic and Social Council on the need to accelerate the process of Bulgaria's accession to the Eurozone, adopted at the Plenary Session on 24.02.2025.**

➢ **Opinion "Challenges to Access and Quality of Healthcare in the Republic of Bulgaria", adopted at the Plenary Session on 24.02.2025.**

➢ **Analysis "Developing Civic Competence in Children Through the System of School and Out-Of-School Education", adopted at the Plenary Session on 24.02.2025.**

➢ **Resolution of the Economic and Social Council on the Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe, adopted at the Plenary Session on 24.03.2025.**

➢ **Analysis "ILO Convention No 151 on Labour Relations in the Civil Service", adopted at the Plenary Session on 24.03.2025.**

➢ **Analysis "Work-life Balance", adopted at the Plenary Session on 24.03.2025.**

- **Declaration of the ESC on Violence against Animals (BG), adopted at the Plenary Session on 24.03.2025.**

➢ **Opinion "A vision for the future of agricultural policy after 2027" (BG), adopted at the Plenary Session on 23.04.2025.**

- **Opinion "Measuring energy poverty in Bulgaria and Europe. Policies to deal with energy poverty in Bulgaria in the context of energy market liberalisation for household consumers", adopted at the Plenary Session on 28.05.2025.**

- **Opinion "Price Disparities in Electricity Markets in Europe – Challenges for Bulgarian Industry and Ways to Overcome Them" (BG), adopted at the Plenary Session on 28.05.2025.**

- **Analysis "The Circular Economy and Its Impact on Occupational Safety and Health" (BG), adopted at the Plenary Session on 11.07.2025.**

- **Analysis "Public-Private Partnerships in the Educational and Social Sphere: Support, Benefits, Challenges and Recommendations" (BG), adopted at the Plenary Session on 11.07.2025.**

- **Resolution "European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient", adopted at the Plenary Session on 25.07.2025.**

- **Opinion "The Scope and Quality of Education as Factors for Increasing Productivity and GDP" (BG), adopted at the Plenary Session on 25.07.2025.**

- **Analysis "Carbon Border Adjustment Mechanism (CBAM): Challenges for the Bulgarian industry and ways to overcome them", adopted at the Plenary Session on 26.09.2025.**

- **Resolution of the ESC on "Multiannual Financial Framework 2028 – 2034", adopted at the Plenary Session on 24.10.2025.**

➢ **"Analysis of Policies and Opportunities for Horizontal Support for Helping-Profession Specialists in the Pedagogical and Social Sectors" (BG), adopted at the Plenary Session on 24.10.2025.**

➢ **Analysis "Financing of the Bulgarian Healthcare System" (BG), adopted at the Plenary Session on 28.11.2025.**

➢ **Analysis "Needs of Enterprises and Employees for Faster Adaptation to the Changes Related to the Transition to a Green and Circular Economy and Digitalisation" (BG), adopted at the Plenary Session on 28.11.2025.**

➢ **Opinion "Measures for Managing Age Diversity in the Workplace in the Context of the Competitiveness of Enterprises in Bulgaria" (BG), adopted at the Plenary Session on 28.11.2025.**

➢ **Analysis "Assessment of the Impact of the Social Services Act (on the Quality of Services, the Career Development of Social Workers and Budgetary Efficiency)" (BG), adopted at the Plenary Session on 19.12.2025.**

➢ **Opinion "Minimum Wage and Cost of Living: European Practices and Measurement Models", adopted at the Plenary Session on 19.12.2025.**

3. Activities under Article 4(2) of the ESC Act

➢ **At the request of the Ministry of Innovation and Growth, the ESC took part in the preparation of an interim monitoring report on the implementation of the Innovation Strategy for Smart Specialisation 2021–2027 (ISSS):**

Recognising the Council's high level of expertise, the Ministry of Innovation and Growth approached the ESC for assistance in preparing an interim monitoring report on the ISSS 2021–2027. The interim evaluation aims to analyse the extent to which the

thematic priorities of the strategy remain strategically relevant, and to assess the effectiveness of implementation, consistency with the regional approach and the impact of the strategy on business, academia and society. The conduct of the consultation on the interim evaluation of the ISSS was entrusted to the ESC Committee on Economic Policy. For the purposes of the interim evaluation of the ISSS, a questionnaire was disseminated through the channels of the ESC and through the channels of all organisations of the three groups, and an open meeting of the Committee on Economic Policy (CEP) was organised, at which the results of the online questionnaire were discussed and in-depth feedback was gathered both from ESC members and from representatives of the ESC member organisations. At the Plenary Session on 26 September 2025, representatives of the Ministry of Innovation and Growth presented a draft of the interim evaluation of the ISSS to representatives of organised civil society and members of the ESC. During the Plenary Session, the main findings of the interim evaluation were presented and discussed, as well as the strengths and challenges identified in the implementation of the ISSS 2021–2027. In the course of the discussion, ESC members and representatives of the organisations of the three groups expressed their views and made recommendations on the relevance of the thematic priorities, the need for closer coordination between institutions and more effective engagement of business, the scientific community and civil society. The discussion highlighted the importance of the regional approach and the need to improve the mechanisms for monitoring and evaluating the impact of the strategy. The proposals and comments made were recognised as a contribution by organised civil society to the process of updating the ISSS and implementing it more effectively.

4. Plenary Session meetings

In 2025, 13 Plenary Sessions of the ESC were held:

4.1 First Plenary Session meeting, 17.01.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Sessions of 13.12.2024 and 19.12.2024 were approved.

Pursuant to Article 12(2) of the ESC Act, the following were discussed and adopted:

- Activity Report of the ESC for 2024 (BG);
- Report on the implementation of the annual budget of the ESC for 2024.

4.2. Second Plenary Session meeting, 24.02.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 17.01.2025 were approved.

The Plenary Session discussed and adopted:

- Resolution of the Economic and Social Council on the need to accelerate the process of Bulgaria's accession to the Eurozone, drawn up by the Presidential Council with the Vice-Presidents of the ESC as rapporteurs – Milena Angelova (Group I), Plamen Dimitrov (Group II) and Bogomil Nikolov (Group III).
- Opinion on "Challenges to Access and Quality of Healthcare in the Republic of Bulgaria", drawn up on the Council's own initiative and assigned to the Committee on Social Policy. Dr Ivan Kokalov from Group II and Elitsa Barakova from Group III were appointed rapporteurs for the act.
- Analysis "Developing Civic Competence in Pupils Through the System of School and Out-Of-School Education". The drafting of the analysis was assigned to the Committee on Social Policy, with Elitsa Barakova from Group III as rapporteur.

The Plenary Session adopted a decision to send to the Council of Ministers a proposal for members of the Bulgarian delegation to the European Economic and Social Committee (EESC) for the 2025–2030 term of office, in connection with the expiry of the current term on 25 September 2025 and the procedure for its renewal laid down by the Council of the European Union, and pursuant to Article 12(2), point 8 of the Economic and Social Council Act (ESC Act).

During the meeting, an amendment and supplement to the ESC Activity Plan for 2025 was discussed and adopted. The Plenary Session elected the chair and members of a temporary committee and members of standing committees.

4.3 Third Plenary Session meeting, 24.03.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 24.02.2025 were approved.

At the meeting, the Plenary Session discussed and adopted:

- Resolution of the ESC on the "Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe", drawn up by the Presidential Council with the Vice-Presidents of the ESC as rapporteurs – Milena Angelova (Group I), Plamen Dimitrov (Group II) and Bogomil Nikolov (Group III). Deputy Minister of Energy Ms Iva Petrova took part in the discussion of the resolution.
- Analysis "ILO Convention No 151 on Labour Relations in the Civil Service". The analysis was assigned to the Committee on Labour, Incomes, Living Standards and Industrial Relations, with Chavdar Hristov from Group II as rapporteur. Nataliya Efremova, Deputy Minister of Labour and Social Policy, took part in the discussion of the analysis.
- Analysis on "Work-life Balance". The analysis was assigned to the Committee on Social Policy, and Veselin Mitov from Group II and Lidiya Shuleva from Group III were appointed rapporteurs for the act.
- Declaration of the ESC against Violence towards Animals (BG).

4.4. Fourth Plenary Session meeting, 23.04.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 24.02.2025 were approved.

The Plenary Session discussed and adopted an opinion on "A vision for the future of agricultural policy after 2027" (BG), drawn up by the Committee on Sustainable

Development, Agriculture, Environment and Regional Policies, with Nataliya Shukadarova from Group III as rapporteur.

The meeting was attended by experts from the Financial Supervision Commission (FSC), who presented the proposed amendments and supplements to the Social Insurance Code aimed at introducing a multi-fund system in supplementary pension insurance funds.

4.5 Fifth Plenary Session meeting, 28.05.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 23.04.2025 were approved. The Plenary Session discussed and adopted three acts:

- Opinion on "Measuring energy poverty in Bulgaria and Europe. Policies to deal with energy poverty in Bulgaria in the context of energy market liberalisation for household consumers" – drawn up by the Committee on Labour, Incomes, Living Standards and Industrial Relations and the Committee on European Policies and the European Process, with Andon Rokov from Group II and Bogomil Nikolov from Group III as rapporteurs. Nikolay Nalbantov, Director of the "Energy Strategies and Policies for Sustainable Energy Development" Directorate at the Ministry of Energy, took part in the discussion of the opinion.
- Opinion on "Price Disparities in Electricity Markets in Europe – Challenges for Bulgarian Industry and Ways to Overcome Them" (BG), drawn up by the Committee on European Policies and the European Process, with Rumyana Georgieva from Group I and Plamen Dimitrov from Group II as rapporteurs.
- "Analysis of the Extent of Inequality in Bulgarian Society" (BG), drawn up at the request of the Speaker of the 51st National Assembly of the Republic of Bulgaria, Nataliya Kiselova, pursuant to Article 5(1) of the ESC Act. The drafting of the analysis was assigned to the Committee on Labour, Incomes, Living Standards and Industrial Relations and the Committee on Macroeconomics, Budget and Finance, with Teodor Dechev from Group I, Atanas Katsarchev from Group II and Lidiya Shuleva from Group III as rapporteurs. The Speaker of the 51st National Assembly, Nataliya Kiselova, also took part in the discussion of the analysis.

4.6. Sixth Plenary Session meeting, 16.06.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 28.05.2025 were approved, and the Council discussed and adopted two acts:

- Analysis on "Problems of Seasonal Employment in Bulgaria – Duration, Sustained Employment, Income and Social Insurance, Qualifications of Employed Persons" (BG), drawn up at the request of the Speaker of the 51st National Assembly of the Republic of Bulgaria, Ms Nataliya Kiselova. The analysis was drawn up by a temporary committee composed of: Milena Angelova (Group I), Plamen Dimitrov (Group II), Bogomil Nikolov (Group III), Mariya Mincheva (Group I), Valentina Zartova (Group I), Andon Rokov (Group II), Chavdar Hristov (Group II), Kostadin Kolarov (Group III) and Lalko Dulevski (Group III), with Mariya Mincheva and Chavdar Hristov as rapporteurs.
- "Analysis of Regional Imbalances in Labour Demand, Overall and by Main Economic Sector, Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG), drawn up at the request of the Speaker of the 51st National Assembly of the Republic of Bulgaria, Nataliya Kiselova, pursuant to Article 5(1) and in conjunction with Article 4(1), point 5 of the ESC Act. The analysis was drawn up by a temporary committee co-chaired by the Vice-Presidents of the ESC from each group – Milena Angelova, Plamen Dimitrov and Bogomil Nikolov – and with the following members: Valentina Zartova and Mariya Mincheva (Group I), Andon Rokov and Chavdar Hristov (Group II) and Kostadin Kolarov and Lalko Dulevski (Group III), with Valentina Zartova, Andon Rokov and Kostadin Kolarov as rapporteurs.

4.7. Seventh Plenary Session meeting, 11.07.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the Plenary Session approved the minutes of the meeting of 16.06.2025 and discussed and adopted two acts:

- Analysis on "The Circular Economy and Its Impact on Occupational Safety and Health" (BG), drawn up by the Committee on Economic Policy and the Committee on Sustainable Development, Agriculture, Environment and Regional Policies, with Aleksandar Zagorov from Group II and Ina Agafonova from Group III as rapporteurs.
- Analysis on "Public-Private Partnerships in the Educational and Social Sphere: Support, Benefits, Challenges and Recommendations" (BG), drawn up by the Committee on

Social Policy and the Committee on Economic Policy, with Ofeliya Kaneva from Group III as rapporteur.

4.8. Eighth Plenary Session meeting, 25.07.2025:

At the eighth meeting, pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session held on 11.07.2025 were approved, and the Plenary Session discussed and adopted two acts:

- Resolution on "European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient", drawn up by the Presidential Council with the Vice-Presidents of the ESC as rapporteurs – Milena Angelova (Group I), Plamen Dimitrov (Group II) and Bogomil Nikolov (Group III).
- Opinion on "The Scope and Quality of Education as Factors for Increasing Productivity and GDP" (BG), drawn up by the Committee on Labour, Incomes, Living Standards and Industrial Relations, with Teodor Dechev from Group I as rapporteur.

During the meeting, a discussion was held on the Multiannual Financial Framework for the forthcoming 2028–2034 programming period, with the participation of Yordanka Chobanova, Head of the European Commission Representation in Bulgaria.

The official guests at the meeting were Dimitris Dimitriadis, Head of the REX Section of the EESC, and Sterică Fudulea, President of the Economic and Social Council of Romania. They briefly addressed the members of the ESC.

4.9 Ninth Plenary Session meeting, 26.09.2025:

Pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 25.07.2025 were approved, and the Plenary Session discussed and adopted one act:

- Analysis on "Carbon Border Adjustment Mechanism (CBAM): Challenges for the Bulgarian industry and ways to overcome them". The analysis was drawn up by the Committee on Sustainable Development, Agriculture, Environment and Regional Policies, with Ognyan Atanasov from Group II as rapporteur. Experts from the Ministry of Energy and the Ministry of Economy and Industry attended the meeting in connection with the discussion of the analysis.

During the meeting, a discussion was held on the commitment undertaken with regard to the implementation of the Innovation Strategy for Smart Specialisation 2021–2027 (ISSS), as commissioned by the Ministry of Innovation and Growth. A questionnaire, which was sent to all members of the Council, was discussed at a meeting of the Committee on Economic Policy. Georgi Kosev, Senior Expert at the "Policies and Analyses" Directorate of the Ministry of Innovation and Growth, attended the meeting in connection with the discussion.

The meeting was attended by Ivan Ivanov, Director of the Central Coordination Unit Directorate at the Council of Ministers, who presented to the Plenary Session the draft position of Bulgaria on the entire legislative package for the Multiannual Financial Framework for the next programming period.

4.10. Tenth Plenary Session meeting, 24.10.2025:

The minutes of the meeting of 26.09.2025 were approved by the Plenary Session, which discussed and adopted two acts:

- Resolution of the ESC on "Multiannual Financial Framework 2028 – 2034", drawn up by the Presidential Council with the Vice-Presidents of the ESC as rapporteurs: Milena Angelova (Group I), Plamen Dimitrov (Group II) and Bogomil Nikolov (Group III). Experts from the Ministry of Finance attended the meeting in connection with the discussion of the resolution;
- "Analysis of Policies and Opportunities for Horizontal Support for Helping-Profession Specialists in the Pedagogical and Social Sectors" (BG), drawn up by the Committee on Social Policy, with Ofeliya Kaneva from Group III as rapporteur.

4.11. Eleventh Plenary Session meeting, 28.11.2025:

At the eleventh meeting, pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 24.10.2025 were approved, and three acts were discussed and adopted:

- "Analysis of the Financing of the Bulgarian Healthcare System" (BG), drawn up by the Committee on Social Policy and the Committee on Labour, Incomes, Living Standards and Industrial Relations, with Valeri Apostolov from Group II and Detelina Smilkova from Group III as rapporteurs.

- Opinion on "Needs of Enterprises and Employees for Faster Adaptation to the Changes Related to the Transition to a 'Green' and Circular Economy and Digitalisation" (BG), drawn up by the Committee on Sustainable Development, Agriculture, Environment and Regional Policies and the Committee on Economic Policy, with Radka Yosifova from Group I and Valeri Apostolov from Group II as rapporteurs.
- Opinion on "Measures for Managing Age Diversity in the Workplace in the Context of the Competitiveness of Enterprises in Bulgaria" (BG), drawn up by the Committee on Economic Policy and the Committee on Labour, Incomes, Living Standards and Industrial Relations, with Stanislav Popdonchev from Group I, Andon Rokov from Group II and Detelina Smilkova from Group III as rapporteurs.

4.12. Twelfth Plenary Session meeting, 15.12.2025:

At the twelfth meeting, pursuant to Article 12(4) of the ESC Rules of Procedure, the minutes of the Plenary Session of 28.11.2025 were approved, and the ESC Activity Plan for 2026 was discussed and adopted.

During the meeting, Iliana Ivanova, Member of the European Court of Auditors, presented to the members of the Council the main conclusions of the institution's work in relation to the implementation of the EU budget and the preparation of the next Multiannual Financial Framework. The presentation outlined the key risks and challenges facing European public finances, as well as the lessons learned from the Recovery and Resilience Facility, including the need for more effective control and traceability of expenditure. Particular emphasis was placed on the future priorities of the EU – competitiveness, cohesion, security and sustainable development. It was underlined that the European Court of Auditors will continue to issue opinions on the main legal acts that will shape the framework of European policies and finances after 2027.

4.13. Thirteenth Plenary Session meeting, 19.12.2025:

At the thirteenth meeting, the Plenary Session discussed and adopted two acts:

- Analysis on "Assessment of the Impact of the Social Services Act (on the Quality of Services, the Career Development of Social Workers and Budgetary Efficiency)" (BG). The analysis was drawn up by the Committee on Social Policy and the Committee on

Macroeconomics, Budget and Finance, with Asiya Goneva from Group II and Ofeliya Kaneva from Group III as rapporteurs.

- Opinion on "Minimum Wage and Cost of Living: European Practices and Measurement Models". The opinion was drawn up by the Committee on Labour, Incomes, Living Standards and Industrial Relations and the Committee on Economic Policy, with Ivelin Zhelyazkov from Group I and Lyuboslav Kostov from Group II as rapporteurs.

During the meeting, Svetoslav Chernev, President of the National Organisation of "Little Bulgarian People" (NOMHB), acquainted the members with the "Handbook for Occupational Risk Assessment for People of Short Stature".

During the meeting, experts from the Central Coordination Unit at the Council of Ministers outlined the progress made in preparing the Social Climate Plan of the Republic of Bulgaria.

III. CONSULTATIONS, DISCUSSIONS AND MEETINGS WITH REPRESENTATIVES OF THE LEGISLATIVE AND EXECUTIVE AUTHORITIES AND CIVIL SOCIETY ON SOCIALLY SIGNIFICANT ISSUES OF ECONOMIC AND SOCIAL DEVELOPMENT

In pursuance of the priorities adopted and the objectives set, as well as of the Activity Plan for 2025, the ESC organised and took part in a large number of events – discussions, conferences, forums, meetings and consultations with representatives of the legislative and executive authorities and civil society on topical issues of public significance for the country. The acts adopted by the Council were presented and discussed at working meetings and round tables with representatives of the legislative and executive authorities.

➢ **Institutional dialogue and public presentation of the ESC's acts**

In 2025 the Economic and Social Council consistently presented its acts to representatives of the legislative and executive authorities, as well as to a wide range of stakeholders. The Council's participation in thematic conferences, expert discussions and public forums contributed to an in-depth public debate on strategic socio-economic issues. In this way, the ESC consolidated its role as an independent consultative body and an active participant in the shaping of public policies.

In this connection, during the reporting period a number of participations and presentations of the ESC's acts were organised and carried out (listed in chronological order), as follows[1]:

- Presentation of the acts adopted during the current term of office of the ESC relating to the development of youth policies and partnerships to the Chair of the Committee on Youth and Sport of the 51st National Assembly on 6 February 2025.
- **Participation in the conference** "Pay and Equality in Bulgaria", organised by the Bulgarian Platform of the European Women's Lobby. In the opening panel of the conference, the President of the ESC presented the main findings and conclusions of the "Analysis of Directive (EU) 2023/970 of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms", adopted on 25 March 2024. The event was held on 14 February 2025.
- **Participation in** the anniversary national conference "For a Secure Future amid the Green and Digital Changes" on 18 February 2025, during which the conclusions and recommendations of the ESC acts adopted under the priorities "The European Green Deal and the sustainable development of Bulgaria" and "Technological transformation and digitalisation of the economy and society" were presented.
- **Participation in a working meeting** with representatives of the Reform and Investment Task Force within the Secretariat-General of the European Commission, the Directorate-General (DG) for Economic and Financial Affairs, DG Internal

[1] Meetings and presentations related to Bulgaria's preparation for joining the euro area are reported in a dedicated thematic chapter.

Market, Industry, Entrepreneurship and SMEs, DG Employment, Social Affairs and Inclusion and DG Regional and Urban Policy at the European Commission Representation in Sofia on 20 February 2025. The European Commission team responsible for Bulgaria under the European Semester conducted a technical mission to Bulgaria and met representatives of the ESC to discuss the Council's position on issues and problems concerning the labour market, the business environment, competitiveness, etc.

- **Participation in a working meeting** with representatives of the European Commission on Bulgaria's Recovery and Resilience Plan (RRP) on 20 February 2025. The meeting was attended by Johannes Luebking, Director in the Reform and Investment Task Force within the Secretariat-General of the European Commission (SG REFORM), Declan Costello, Deputy Director-General of the Directorate-General for Economic and Financial Affairs (DG ECFIN), and members of the Reform and Investment Task Force and the Directorate-General for Economic and Financial Affairs. The ESC's position on the progress and challenges related to the implementation of Bulgaria's Recovery and Resilience Plan was presented at the meeting.

- **Participation in** the twelfth edition of the "Economy in the Light" awards, held under the patronage of the Bulgarian Industrial Capital Association and the "Economy in the Light" National Centre on 27.03.2025 in Sofia.

- **Participation in an event** on "People with Disabilities and the Development of New Technologies – Opportunities, Risks and Prospects" on 21 February 2025, at which the conclusions and recommendations of the "Analysis of the Integration of People with Disabilities into the Labour Market – Measures, Incentives and Challenges", adopted on 20 July 2023, were presented.

- **The ESC organised a presentation** of the conclusions and recommendations of the "Analysis of the Current Pension System and Proposals for Its Improvement" (BG) to institutions and stakeholders on 24 February 2025. The discussion on the long-term development of the pension system was attended by the Chairs of the Committee on Labour and Social Policy and the Committee on Demographic Policy of the 51st National Assembly, Members of Parliament, the Deputy Minister of Labour and Social policy, representatives of the Ministry of Labour and Social Policy (MLSP), the Ministry of Finance (MoF), the National Social Security Institute (NSSI), the National Revenue Agency (NRA),

the Financial Supervision Commission (FSC), professional organisations, the Bulgarian Association of Supplementary Pension Security Companies (BASPSC), structures of organised civil society and the media.

◆ Discussion with the Chair of the Committee on Education and Science of the 51st National Assembly on the opportunities for partnership and cooperation with organised civil society in the field of education and science, on 25 February 2025.

- Participation in the conference "Harassment and Violence at the Workplace: Let Us Break the Silence!", organised by the Confederation of Independent Trade Unions in Bulgaria (CITUB) and the Friedrich Ebert Foundation, on 5 March 2025.

◆ **Participation in** Economy Forum 2025 – "Different Generations, One Team. Challenges, Opportunities and Solutions", on 20 March 2025.

◆ **Participation in** the discussion "Bulgaria's Place in the European Commission's New Vision for Agriculture and Food", on 28 March 2025. The topic is of strategic importance for the future of agriculture and the food sector in Bulgaria, in the context of the European Commission's new proposals for the period up to 2040, and is included in the ESC Work Plan for 2025. The expert discussion was organised by the Green Transition Forum and the Bulgarian Chamber of Agriculture (BCA).

◆ **Participation in** the event "Responsible Business Conduct – the Entrepreneur's Path", organised by the Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA), on 3 April 2025.

◆ **Participation in** the Thirteenth European Forum of Social and Solidarity Economy Entities, organised by the National Union of Workers' Productive Cooperatives, with the support of the MLSP, on 7 April 2025.

◆ **Participation in** the "Longevity Forum: Unlocking Business and Personal Potential in the Era of Healthy Ageing", organised by the Capital newspaper, on 10 April 2025. During the discussion, the findings and conclusions of the "Analysis of the Current Pension System and Proposals for Its Improvement" (BG) and of the "Updated Analysis of the Demographic and Socio-Economic Development of the Planning Regions – Results and Current State" were presented.

◆ **Participation in** the round table "Prospects and Challenges for Young People in Bulgaria", organised by the Committee on Youth and Sports of the National Assembly, on 15 April 2025.

◆ **Participation in** the first Career Forum for Mature Professionals in Bulgaria and in Europe, "50 More Reasons", on 16 April 2025. The topic features in the ESC Work Plan for 2025 in connection with the drafting of an opinion on measures for managing age diversity in the workplace (BG). The event brought together employers, organisations and institutions that develop an enabling environment for the professional, social and personal development of people in mature age.

◆ **Participation in** the national scientific conference "Sustainability of Human Resources for a Competitive Economy", on 19 May 2025. The conference was organised within the framework of the project "Comprehensive Approach to Ensuring Motivated Qualified Human Resources", implemented by the Bulgarian Industrial Capital Association (BICA) with the assistance of the Economic Research Institute at the Bulgarian Academy of Sciences (BAS). The event brought together established scientists in the field, researchers and representatives of institutions.

◆ **Participation in** the national discussion "Access to the Labour Market for Third-Country Workers – Challenges and Solutions", organised by the Bulgarian Industrial Association and the National Tourism Board with the institutional support of the Ministry of Tourism, on 20 May 2025. The President of the ESC presented the analysis of the possibilities for simplifying and accelerating the procedures for bringing in workers and highly qualified personnel from third countries for the needs of Bulgarian business, adopted by the ESC on 17 April 2024 at the proposal of the Council of Ministers.

◆ **Participation in a working meeting** with representatives of the European Commission (EC), Directorate-General for Economic and Financial Affairs (DG ECFIN), on 20 May 2025 at the Bulgarian National Bank (BNB), within the framework of a Technical Mission aimed at examining the stage of preparation of the Republic of Bulgaria for the introduction of the euro as its national currency, as well as the communication dimensions of the process. Representatives of the three groups of the Council took part in the working meeting.

◆ **Participation in** the launch event of the project "Support for Refugees from Ukraine", on 28 May 2025, implemented by the International Organization for Migration (IOM) and the Bulgarian Red Cross (BRC) and funded by the Asylum, Migration and Integration Fund (AMIF) through the Ministry of Interior (MoI). The aim of the

project is to provide comprehensive humanitarian and social support to Ukrainian citizens who have sought protection in Bulgaria.

◆ **Participation in the conference** "Innovative Education and Professions of the Future: Towards a Global Educational Space", on 29 May 2025. The President of the ESC took part in the work of the conference and presented the ESC acts addressing the challenges facing Bulgarian education and the labour market in Bulgaria and in Europe under the impact of the digital transformation, the green economy and demographic challenges.

◆ **Participation in** meetings of the Interdepartmental Working Group on Social Economy at the MLSP on 18 June and 1 October 2025. The meetings discussed the following topics: progress in the implementation of the project "Development of the Social Economy"; follow-up actions on the implementation of the Social Economy Action Plan 2024–2025; the drafting of the new Social Economy Action Plan 2026–2027; the drafting of the strategic document "Vision for the Development of the Social Economy and Social Innovation for the Period 2025–2030", etc.

◆ **Participation in** a meeting of the Advisory Council on Corporate Social Responsibility at the MLSP on 30 June 2025. The meeting discussed the framework position on the Proposal for a Directive of the European Parliament and of the Council amending Directives 2006/43/EC, 2013/34/EU, (EU) 2022/2464 and (EU) 2024/1760 as regards certain corporate sustainability reporting and due diligence requirements, together with the possibilities and ways of transposing Directive 2024/1760 into Bulgarian legislation, the expected obligations for business, and the control and responsibilities of the State.

◆ **Participation in** a meeting of the Committee on Labour and Social Policy of the National Assembly on 2 July 2025. Under item 2, the ESC analysis "Regional Imbalances in Labour Demand, Overall and by Main Economic Sectors, Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG), drawn up at the proposal of the Chair of the 51st National Assembly, was presented. The discussion was attended by the rapporteurs on the act – Valentina Zartova from Group I and Kostadin Kolarov from Group

III – the President of the ESC, Zornitsa Rusinova, and the external expert on the analysis, Georgi Tsolov.

◆ **Participation in** a meeting of the Committee on Labour and Social Policy of the National Assembly on 9 July 2025 for the presentation and discussion of the analysis "Problems of Seasonal Employment in Bulgaria – Duration, Permanent Employment, Income and Social Insurance, Qualifications of Employed Persons" (BG), drawn up at the proposal of the Chair of the 51st National Assembly. The meeting was attended by the rapporteurs on the act – Mariya Mincheva from Group I and Chavdar Hristov from Group II – and the President of the ESC, Zornitsa Rusinova. The Deputy Minister of Labour and Social Policy, Nataliya Efremova, also joined the discussion.

◆ **Participation in** the discussion "ARTIFICIAL INTELLIGENCE: Trends, Regulations and Development Scenarios", organised by the Bulgarian Industrial Association, on 7 October 2025. The debate was attended by representatives of the Ministry of Innovation and Growth, the Ministry of Education and Science, the Ministry of e-Government, the Ministry of Economy and Industry, the Ministry of Environment and Water, the National Assembly, the Bulgarian Small and Medium Enterprises Promotion Agency, members of the Bulgarian Industrial Association (BIA), NGOs and academic institutions.

◆ **Participation in the conference** "Time for Stocktaking: Is This Where This Tax System Ends?!", organised by CITUB, on 7 October 2025. Representatives of the Ministry of Labour and Social Policy, the Ministry of Finance, the academic community and experts on the subject took part in the discussion.

◆ **Participation in the conference** "Burgas Digital 2024: Compute the Future", on 17 October 2025. The technology conference Burgas Digital 2025 is a joint initiative of Burgas Municipality, DIGIHUB, Sofia Tech Park and Central Park, with the support of the Ministry of Innovation and Growth. The President of the Economic and Social Council took part in the opening and presented the Council's work on the topic.

◆ **Participation in a working meeting** on 20 October 2025 to discuss the European Commission's legislative proposals in the field of shared management funds for the 2028–2034 programming period, as well as our national position on them, organised by the Deputy Prime Minister and Minister of Innovation

and Growth, Tomislav Donchev. The Presidium of the ESC took part in the meeting and presented the ESC's position on the subject.

- **Participation in a working meeting** with representatives of the European Commission (EC), Directorate-General for Economic and Financial Affairs (DG ECFIN), within the framework of the European Commission's Second Technical Mission on 24 October 2025, aimed at reviewing the practical aspects of the changeover from the Bulgarian lev to the euro and the communication activities. The Presidium of the ESC presented the Council's position on the subject, as well as the results of the active communication campaign conducted by the ESC across the country.

- **Participation in** the pension forum "For the Pension System – Looking Ahead", organised by the Bulgarian Actuarial Society on 28 October 2025. The ESC presented the conclusions and recommendations of the "Analysis of the Current Pension System and Proposals for Its Improvement" (BG).

- **Participation in** the 12th Annual Conference "Innovation and Good Practices in the Healthcare Sector", organised by the Capital newspaper on 11 November 2025. The ESC presented its current acts.

- **Participation in** the Global Forum of Women Leaders 2025 "A Fast and Furiously Changing World. Women 'Behind the Wheel'" and Awards Ceremony, organised by the Council of Women in Business in Bulgaria, on 13 November 2025.

- **Participation in** the opening of the conference "Promoting Partnerships for Social Impact in Bulgaria", on 20 November 2025. The event was organised by the Microfinance Centre, SIS Credit, Microfund, the BCause Foundation and the Fund of Funds in Bulgaria, with financial support from the European Commission's SIFTA programme and the European Investment Bank.

- **Participation in the conference** "The Citizens' Voice in the New EU Budget 2028–2034", on 26 November 2025. During the event, the President of the ESC presented the ESC resolution on the "Multiannual Financial Framework 2028–2034".

- **Participation in** the event "The Future of Cohesion Policy: European Plans and Bulgarian Priorities", organised by the European Parliament Liaison Office in Bulgaria and the National Association of Municipalities in the Republic of Bulgaria, on 28 November 2025. The President presented the ESC resolution on the

"Multiannual Financial Framework 2028–2034". Emphasis was placed on the need for a fair allocation of funds under the new MFF 2028–2034, taking into account regional specificities and the social element. The importance of involving the social partners and civil society organisations in the programming, implementation and monitoring of the funds was also highlighted, as was the need to steer Bulgaria towards high-tech and strategic projects to increase competitiveness.

◆ **Participation in** the closing conference with international participation of the project "Development of the Social Economy", organised by the Ministry of Labour and Social Policy, on 9 December 2025. During a panel discussion, the ESC opinion "Accelerating the Development of the Social Economy in Bulgaria in Response to Contemporary Challenges" was presented by the rapporteur from Group III, Elitsa Barakova.

◆ **Participation in** the award ceremony for the annual award "Socially Responsible Strategic Management" 2025, organised by the Ministry of Labour and Social Policy, on 16 December 2025.

- Cooperation agreements

During the reporting period, the Economic and Social Council consistently developed and expanded its partner network by concluding and implementing cooperation agreements with national and international institutions. These agreements provide a sustainable framework for the exchange of expertise, the implementation of joint initiatives and the strengthening of the Council's role in the processes of shaping and discussing public policies. Particular emphasis was placed on cooperation with the academic community, public institutions and international partners, with a view to supporting the ESC's analytical activities, raising public awareness and encouraging civic participation. The activities carried out under the signed memoranda contributed to strengthening the Council's institutional capacity and to establishing it as an active participant in national and international dialogue.

◆ **Cooperation with scientific and educational institutions:**

The focus of the joint activities with the universities with which the Council has a cooperation agreement is the holding of joint forums, the organisation of open lectures on topical issues with the participation of Council members, and the involvement of students in the work of the Council through internships, student visits to ESC Plenary Session meetings and "open days".

During the year, the partnership activities were built upon with the following initiatives:

➢ **University of National and World Economy: cooperation with UNWE dates back to the establishment of the ESC, and in 2025 it was further developed through the active involvement of Council representatives in the academic life of the institution:**

- Celebration of the 105th anniversary of UNWE – participation of ESC representatives in the event for the presentation of the "Best Administration for 2024" awards on 8 April 2025.
- Participation in the celebration of the 50th anniversary of the Faculty of International Economics and Politics on 13 May 2025. Representatives of the Council took part in the discussion organised and in the presentation of awards for contributions to development and progress in the scientific field.
- Participation in the celebration of the 35th anniversary of the Department of National and Regional Security on 14 May 2025. The event was attended by the Rector's management team, representatives of state authorities, graduates of the department, deans, heads of departments, lecturers from UNWE and from higher education institutions in Sofia and across the country, as well as students.
- Participation in the international scientific conference of young scientists "The Economy of Bulgaria and the European Union", held under the patronage of the Rector of UNWE, Prof. Dimitar Dimitrov, PhD, on 6–7 November 2025. The event provided a platform for young scientists – PhD students, lecturers and researchers – to exchange ideas and research findings in the fields of economics, finance and innovation.
- Public lecture by the President of the ESC on "European Social Policy" to third-year students of the Insurance and Social Affairs and Human Resource Economics programmes, who study the course "Social

Policy". The visit was at the invitation of Assoc. Prof. Valeri Apostolov, PhD, lecturer at the Department of Human Resources and Social Protection, holder of the course "Social Policy" and coordinator of the memorandum of cooperation between UNWE and the Economic and Social Council. The lecture took place on 10 November 2025.

➢ **Sofia University "St. Kliment Ohridski": in implementation of the cooperation agreement, study visits of students to the ESC were again organised in 2025, and ESC representatives took part in scientific conferences and presented the work of the ESC to students:**

- Participation in the Ninth International Conference on Public Administration, organised by the Department of Public Administration of the Faculty of Philosophy in partnership with the Central Cooperative Union, on 23 October 2025.
- Participation in the evaluation committee for national accreditation in professional field 3.8 "Economics", Faculty of Economics and Business Administration, on 4 December 2025.
- Visits and presentation of the Economic and Social Council to fourth-year Political Science students at Sofia University "St. Kliment Ohridski" within the lecture courses "Non-Governmental Organisations and Governance" on 4 December 2025 and "The European Social State" on 17 December 2025.

➢ **Burgas Free University: in 2025, cooperation took the form of participation in conferences and scientific forums, and the collection of data and information for the drafting of ESC acts:**

- Participation in the opening of the International Scientific Conference "Contemporary Management Practices XII", devoted to the highly topical subject of entrepreneurial and managerial development and training in the context of Industry 5.0, on 3 June 2025.

➢ **"Prof. Dr. Asen Zlatarov" University – Burgas: cooperation developed in the form of exchange of data and information related to ESC acts, and participation in events, conferences and scientific forums.**

➢ **University of Economics – Varna: the joint activities include the publication of the printed Bulletin No 4 on the acts adopted by the ESC in 2024, which has become an annual publication with the corresponding identification number ISSN: 2815 – 4088, in accordance with the requirements of the St. St. Cyril and Methodius National Library, printed by the Science and Economics Publishing House of the University of Economics – Varna.**

➢ **University of Insurance and Finance: the partnership developed during the year through the participation of representatives, lecturers, PhD students and students of VUZF in events organised by the ESC.**

➢ **University of Mining and Geology "St. Ivan Rilski": cooperation took the form of participation in seminars, meetings with students and participation of representatives, lecturers and students in events organised by the ESC.**

In addition, during the current year the ESC expanded its network of partner organisations by signing cooperation agreements with:

➢ **International Business School: on 16 May 2025, the Economic and Social Council and the International Business School (IBS) signed a Memorandum of Cooperation whereby the two parties undertake to work together in support of the quality of higher education and the expert activities of the Council. The agreement provides for partnership in supporting the training of students and PhD students through the organisation of public lectures, discussions and other initiatives. The cooperation also includes carrying out surveys and research in the field of economics and management needed for the preparation of ESC acts, as well as holding joint events of common interest. Joint initiatives in 2025:**

- Participation in the 20th International Scientific Conference "Intelligent Future: Artificial Intelligence in Education, Economics, Business

and Management", organised by the International Business School in Bulgaria, on 16 May 2025. The ESC presented the acts developed in the priority area "Technological Transformation and Digitalisation of the Economy and Society".

- The ESC was invited to present the partnership initiatives at the meetings of the accreditation committee of the International Business School.

➢ **Varna Free University "Chernorizets Hrabar": on 24 October 2025, the Economic and Social Council and Varna Free University "Chernorizets Hrabar" signed a memorandum governing cooperation and a commitment to implement joint initiatives aimed at supporting the activities of the Council and the practical training of students at the university. Under the memorandum, the two parties will work together to support the quality of training of students and PhD students by organising public lectures and discussions, and will also organise other appropriate initiatives.**

➢ **D. A. Tsenov Academy of Economics – Svishtov: on 28 November 2025, the Economic and Social Council and the D. A. Tsenov Academy of Economics – Svishtov signed a Memorandum of Cooperation whereby they undertake joint action in support of the quality of economic education and the expert activities of the Council. The first joint initiative was the opening of the academic year on 2 October 2025, when a regional discussion on "The Euro Area Effect" was held. The event at the D. A. Tsenov Academy of Economics brought together students, lecturers and representatives of the local community. Members of the Economic and Social Council discussed with the young people the benefits of and upcoming steps in Bulgaria's accession to the euro area. The students showed keen interest, with questions about prices, incomes, inflation and consumer protection.**

➢ **BAS – Economic Research Institute: on 2 April 2025, the Economic and Social Council and the Economic Research Institute (ERI) at the Bulgarian Academy**

of Sciences signed a cooperation agreement whereby the two institutions undertake to pool their expertise and analytical capacity in support of policy-making and in-depth economic analysis. The agreement provides for partnership in the drafting of ESC acts through the scientific and expert potential of the ERI, the joint conduct of surveys and scientific research in the field of economics and management, as well as the organisation of scientific events, training and other initiatives of common interest. The memorandum also includes opportunities for the exchange of information and for the presentation of good practices in thematic areas of interest to both parties. In implementation of the agreement, ESC representatives took part in the national scientific conference "Sustainability of Human Resources for a Competitive Economy" on 19 May 2025. The conference was organised within the framework of the project "Comprehensive Approach to Ensuring Motivated Qualified Human Resources", implemented by the Bulgarian Industrial Capital Association (BICA) with the assistance of the Economic Research Institute at BAS. The event brought together established scientists in the field, researchers and representatives of institutions.

On the basis of the agreements signed with academic institutions, the ESC took part in a meeting of the Council of Rectors of Higher Education Institutions in the Republic of Bulgaria, at which the activities of the ESC were presented, on 5 June 2025.

In 2025, the Economic and Social Council also signed, developed and built upon partnerships with other institutions with which it cooperates in various thematic areas:

- **Cooperation with the Bulgarian National Bank: on 9 May 2025, the Economic and Social Council and the Bulgarian National Bank signed a Memorandum of Cooperation aimed at supporting communication activities related to the process of Bulgaria's accession to the euro area. In implementation of the agreement, the two institutions worked actively in partnership in organising and holding the events included in the Communication Strategy for the process of Bulgaria's accession to the euro area.**

- **Cooperation with UNICEF: on 20 March 2025, the Economic and Social Council and UNICEF signed a cooperation agreement whereby they undertake joint action**

in support of the well-being of children and young people in Bulgaria and to promote civic participation in decision-making processes. The document provides for cooperation in several key areas, including the exchange of information, analyses and expertise, the preparation of joint studies, and the organisation of working meetings and initiatives on topics of common interest.

➢ **Cooperation with the National Youth Forum: on the basis of the memorandum of cooperation in the field of youth policy signed in 2024, the ESC and the NYF organised a joint youth event on 9 May 2025, hosted a round table of youth organisations and took part in events organised by the Youth Forum.**

Pursuant to Article 7(5), points 8 and 10 of the ESC Act, members of the Council include representatives of organisations of persons with disabilities and representatives of organisations supporting the socially disadvantaged, persons with disabilities or persons in need of care. As a statutory consultative body and an institutionalised form of organised civil society, the necessary conditions have been created for an accessible environment in the urban area and in the building where the Council is located, providing access to the ESC premises for persons with reduced mobility and persons with disabilities.

IV. COOPERATION WITH THE EUROPEAN ECONOMIC AND SOCIAL COMMITTEE AND OTHER SIMILAR NATIONAL AND INTERNATIONAL ORGANISATIONS. PARTICIPATION IN INTERNATIONAL MEETINGS, CONFERENCES AND EVENTS

In 2025, the ESC took an active part in various international meetings, conferences and events in the context of its cooperation with the European Economic and Social Committee (EESC), the European institutions, the International Association of Economic and Social Councils and Similar Institutions (AICESIS), EUROMED and other similar national or international forums and organisations:

➢ **Cooperation with the European Economic and Social Committee**

◆ **Participation in a working meeting** with a delegation from Albania led by Olta Manjani, Deputy Minister of Economy, Education and Innovation, in Brussels, Belgium, organised by the EESC on 16 January 2025.

◆ **Participation in** the international conference "Artificial Intelligence and Its Relationship with Industry" in Rome, Italy, organised by the Economic and Social Council of Italy and the European Economic and Social Committee (EESC) on 24 January 2025.

◆ **Participation in** Civil Society Week (CSW) and the exhibition of various institutions and organisations at the European Economic and Social Committee (EESC) in Brussels, Belgium, from 16 to 20 March 2025. The ESC took part in the panel discussions and had a stand at the exhibition. Three types of organisations took part in the exhibition: the EESC, European institutions, and European organisations and platforms. The ESC was the only national council represented. The ESC stand had a central location between the stands of the European Parliament and the Polish Presidency. The ESC stand included a digital presentation on a video screen, short printed information materials, ESC business cards with a QR code leading to the ESC website, and a Council banner stand for photos with visitors. Information materials of the ESC member organisations and materials provided by the Ministry of Tourism and the information centre of Sofia Municipality were also presented at the stand.

◆ **Participation in** the international conference "Citizens Can Defeat Disinformation – Civil Society for an Open Democratic Debate", Lisbon, Portugal. On 22 May 2025, the Economic and Social Council of Portugal, together with the EESC, organised the latest conference in the European civil society campaign against disinformation.

◆ **Participation in** the Annual Meeting of the Presidents and Secretaries-General of the European Economic and Social Committee and the Economic and Social Councils of the EU Member States. On 25 and 26 June 2024 in Warsaw, Poland, the Annual Meeting of the EESC leadership with the economic and social councils of the EU countries was devoted to the theme "Improving Living and Working Conditions in the EU: the Role of Organised Civil Society".

◆ **Participation in** a meeting of the Bureau of the Section for External Relations (REX) of the European Economic and Social Committee (EESC) in Albena, Bulgaria, on 24 July 2025. The event was devoted to the strategic, geopolitical and economic role of the Black Sea region in the context of the European Commission's communication on the European Union's strategic approach to the Black Sea. The meeting discussed the opportunities for strengthening cooperation between the countries of the region and the European Union through closer coordination, sustainable development and the active participation of civil society representatives.

◆ **Participation in** the Solemn Plenary Session of the European Economic and Social Committee marking the end of the EESC's term of office (2020–2025) and presenting the Committee's achievements.

◆ **Participation in** the official constitutive ceremony of the EESC for the 2025–2029 term of office in Brussels, Belgium, on 23 October 2025.

◆ **Participation in** the 38th Group Meeting on the European Semester on 9 December 2025 in Brussels, aimed at discussing the European Semester Autumn Package. During the meeting, an ESC member from Group I presented the ESC's opinion on the subject and highlighted the recommendations made by the ESC with a view to optimising the process and ensuring more effective participation of organised civil society.

➢ **Cooperation with the International Association of Economic and Social Councils and Similar Institutions (AICESIS) and other similar international organisations**

◆ Remote participation in the General Assembly of AICESIS. On 31 October 2025, a meeting was held in Curaçao at which the new presidency of the Association was elected; it is taken over by Ioannis Paidas, President of the Economic and Social Council of Greece (OKE), and the Secretary-General is Apostolos Xirafis, Secretary-General of OKE. The Deputy Secretaries-General remain the same as under the previous AICESIS presidency.

◆ Remote participation in the General Assembly of UCESIF. On 26 May 2025, a meeting was held in Côte d'Ivoire at which the activities of the Francophone Union were reported on, and the presidency passed from the French President of the CESE to the President of the Economic and Social Council of Côte d'Ivoire.

➢ **Memoranda in the field of international cooperation:**

The Economic and Social Council of the Republic of Bulgaria works purposefully on implementing the provisions of the memoranda of cooperation concluded with the Economic and Social Council of Greece; the Economic and Social Council of the Kingdom of Spain; the Economic, Social and Environmental Council of France; and the Economic and Social Council of Romania. On 22 May 2025, the ESC also signed a cooperation agreement with the Economic and Social Council of Portugal.

On the basis of the signed memoranda, the following bilateral partnerships took place in 2025:

◆ On 24–25 April 2025, a bilateral meeting was held in Madrid between the Economic and Social Council of Bulgaria and the Economic and Social Council of Spain within the framework of the Cooperation Agreement between the two institutions. The Bulgarian ESC was represented at the meeting by the President of the ESC, members from Group I, Group II and Group III, and representatives of the ESC administration. The main focus of the discussions was the impact of artificial intelligence on the labour market and social systems, and the need for ethical and human-centred regulation. Good practices in the work of the two councils were presented, including with regard to social dialogue, digital transformation and international cooperation. The meeting confirmed the importance of the partnership between the two councils and outlined opportunities for deepening cooperation, including holding a further working meeting in Sofia in 2026.

◆ The President of the ESC took part remotely in the opening of a conference devoted to youth policies, organised by the Economic and Social Council of Greece on 30 May 2025.

◆ The President of the EESC REX Section, Dimitris Dimitriadis, and the President of the Economic and Social Council of Romania, Sterică Fudulea, took part in the ESC Plenary Session held on 25 July 2025. During the meeting, a resolution on "European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient" was discussed and adopted.

➢ **"Erasmus for Civil Society" initiative of the economic and social councils in the European Union**

The activities under the initiative, proposed in 2023 by the Economic, Social and Environmental Council of France for the exchange of expertise and good practices between the economic and social councils in the European Union, continued during the reporting year. Representatives of the ESC took part in the following thematic meetings within the framework of the initiative:

◆ **Participation in** the meeting devoted to "Demographic Challenges Facing Europe and the Related Problems", organised by the Economic and Social Council of Greece in Athens from 16 to 18 February 2025. The ESC was represented at the meeting by members from Group I, Group II and Group III. A rapporteur from Group III presented to the audience the "Updated Analysis of the Demographic and Socio-Economic Development of the Planning Regions – Results and Current State", adopted by the ESC on 17 May 2024. The Bulgarian representatives took an active part in the topics discussed at the forum.

◆ **Participation in** a meeting devoted to the theme "European Democracy Shield", organised by the French Economic, Social and Environmental Council in Paris from 17 to 19 November 2025. The ESC's position on the topic was presented by the President of the ESC and by members from Group I and Group III.

➢ **Organisation of and participation in international events**

◆ Annual working meeting with the heads of diplomatic missions of EU Member States in Bulgaria and partners on 21 February 2025. During the working meeting with diplomatic representatives of twenty-two countries and organisations,

the ESC Presidential Council and the committee chairs presented the main priorities, the mission and the role of the advisory body, as well as details of the analyses, opinions and resolutions it had drawn up. It was emphasised that the active work of the Council, which represents the consensus view of employers, trade unions and civil society organisations on topics of importance to society, supports the strengthening of the role of organised structures in Bulgaria. The ambassadors and representatives of the diplomatic missions were familiarised with the work of the Council on a number of topics key to socio-economic development. Among the topics discussed at the meeting were the strengthening of the role of organised civil society in decision-making on public policies, the green and digital transition, energy security, and the challenges facing the labour market in the context of artificial intelligence and migration processes.

- **Participation in** the European Employment and Social Rights Forum on "Skills for a Competitive Europe", in Brussels, Belgium, from 4 to 6 March 2025. The main focus of the European Forum was on the challenges associated with skills and labour shortages, the development of the labour market and the need for a fair and inclusive transition.

- **Participation in** a series of international conferences organised by the Confederation of Labour "Podkrepa", with the participation of ESC members, on the following topics: "Quality Jobs and Decent Wages" on 10 March 2025; "For Social Dialogue and Effective Protection of Workers During Successive Economic Crises" on 7 July 2025; "Time to Take Stock: Is This the End of the Road for This Tax System?!" on 7 October 2025; and "Trade Union Policies in Times of Uncertainty and Change: For Decent Employment in EU Candidate Countries" on 9 October 2025.

- **Participation in** an international conference on "Civil Society Organisations and the Regulation of Lobbying", organised by the Bulgarian Center for Not-for-Profit Law, the Transparency International Bulgaria Association, the Access to Information Programme and the Institute for Market Economics on 11 March 2025.

- **Participation in** the international conference "Just Transition in Kyustendil" on 13 May 2025. The opening placed an emphasis on the need to

develop national and territorial just transition plans that would provide support for retraining, new jobs and the sustainable development of the affected regions.

◆ Organisation of a meeting with the Executive Vice-President of the European Commission, Roxana Mînzatu, on 16 June 2025. The main topic of the discussion was the challenges facing the labour market in Europe and how Bulgaria can better prepare for a high-tech and digital economy through skills development, retraining and lifelong learning.

The meeting was attended by representatives of Bulgarian business, trade unions and civil society organisations – members of the ESC – who exchanged ideas and put questions to Vice-President Mînzatu. Specific measures for the development of human capital in the context of the dynamic green and digital transition were discussed, as well as opportunities for accessible training for employees, the need for greater flexibility and the role of the social partners in adapting the labour market to the new reality.

The President of the ESC stressed that investment in the workforce is essential for increasing the competitiveness and sustainable development of the country and the EU. Issues related to skills and employment in the context of the transformation of the economy have been at the focus of the ESC's work for years.

Roxana Mînzatu presented European Commission initiatives, including the Union of Skills, the Social Climate Fund and the social economy package. She stressed that Europe needs a new culture of preparedness, in which people are able to adapt to the changes brought about by technological progress, global competition and social challenges. In her words, investment in skills, quality employment and education is the key to social justice, economic sustainability and innovation.

V. IMPLEMENTATION OF THE COMMUNICATION STRATEGY FOR THE PROCESS OF BULGARIA'S ACCESSION TO THE EURO AREA

Bulgaria's accession to the euro area is a key priority in the work of the ESC, and as early as 2023 the Council launched a targeted communication campaign to prepare for and support a smooth transition to the euro area.

The ESC's work highlighted the key role that organised civil society – business, trade unions and civil society organisations – plays in the country's accession to the euro area. Through their support, they assume their role of assisting the efforts of the Government and the Bulgarian National Bank (BNB) in the national communication campaign.

In recent years, the Council has drawn up and adopted a number of acts expressing the consensus view of employers, trade unions and civil society organisations on the expected benefits for the development of the economy and people's incomes, and in support of accession to the euro area.

In the 2025 reporting year, the ESC firmly states that organised civil society can play a decisive role in providing reliable and objective information to citizens and in being helpful with answers to specific questions, as well as in combating disinformation and overcoming the misconceptions spread by various organisations.

The ESC carried out a number of communication activities and took an active part in the National Communication Campaign under the Communication Strategy for the Process of Bulgaria's Accession to the Euro Area, coordinated by the Ministry of Finance and the BNB. The ESC helped to reach a large number of citizens by using a wide range of communication and information mechanisms:

- **Organisation of information events**

The ESC organised and held a series of events, aiming to cover a broad range of target groups: employers, workers, non-governmental organisations, young people, disadvantaged people, residents of small settlements where information is insufficient, and others. During the year, the following events were held to promote the euro:

- Europe Day on the theme "What Will Be the Effect of Bulgaria's Entry into the Euro Area on Young People", 09.05.2025: the participants in the discussion were young people nominated by the member organisations of the Economic and Social Council. The theme of the debate, "What Will Be the Effect of Bulgaria's Entry into the Euro Area on Young People?", placed an emphasis on education, incomes and employment opportunities. The event, dedicated to Europe Day, gave young people the opportunity to ask questions and take part in a debate modelled on the three groups of the ESC – employers, trade unions and civil society organisations. The discussion was attended by representatives of the ESC and official guests, including the Deputy Minister of Finance, Metodi Metodiev, the Deputy Governor of the BNB, Petar Chobanov, and the Chair of the Commission for Consumer Protection (CCP), Maria Filipova. They highlighted the ESC's active role on euro area issues. Issues relating to the financial literacy of young people, the need for greater engagement and the building of trust in institutions and the EU were also discussed.
- Organisation of a national discussion on "Financial Literacy as a Factor for Investment, Incomes and the Euro Area" on 27 May 2025 in the Granite Hall of the Council of Ministers. The event was attended by the Prime Minister, Rosen Zhelyazkov, the European Commissioner for Startups, Research and Innovation, Ekaterina Zaharieva, the Minister of Education and Science, Krasimir Valchev, the Head of the European Commission Representation in Bulgaria, Yordanka Chobanova, and representatives of the Ministry of Finance, the BNB, the National Revenue Agency (NRA), the National Social Security Institute (NSSI), the Financial Supervision Commission (FSC), the CCP and others. The discussion was attended by the members of the Council – employers, trade unions and civil society organisations – as well as key institutions and organisations engaged with the topic. Among the main conclusions of the debate was that improving financial literacy in society will successfully address attempts at speculation and the

spread of fake news relating to Bulgaria's membership of the euro area. In addition, the financial literacy of the population would limit risky financial behaviour and the dependence of some people on the social system.

- National discussion on "The Euro Area Effect. The Experience of Member States Speaks", 20.06.2025, Granite Hall of the Council of Ministers: the event was attended by representatives of the Government, business, trade unions, civil society organisations, supervisory institutions and partners from Latvia and Lithuania. The aim was to present verified facts on the impact of the euro area on incomes, prices and investment, as well as to answer questions and allay fears in society. The Prime Minister, Rosen Zhelyazkov, opened the discussion and stressed the role of institutions and civic oversight for a smooth transition to the euro and for countering speculation. The Deputy Minister of Finance, Galya Dimitrova, noted the benefits of eliminating currency risk, reducing transaction costs, increasing investment and improving competitiveness. The Deputy Governor of the BNB, Petar Chobanov, and representatives of organised civil society in Latvia and Lithuania demonstrated that, following accession to the euro area, the incomes and purchasing power of the population increase, while inflation is kept under control through effective institutional mechanisms. The speakers also included experts from the Bulgarian Academy of Sciences (BAS), the Confederation of Independent Trade Unions in Bulgaria (CITUB) and others.
- Regional discussion on "The Euro Area Effect" (25.09.2025, Kazanlak): The discussion in Kazanlak was the first in the series of regional discussions organised by the Council. It was attended by representatives of the Government, key institutions, employers', trade union and civil society organisations, as well as experts, who answered questions from citizens and businesses about the transition to the euro. The event was opened by Zornitsa Rusinova, President of the ESC, the Deputy Minister of Finance, Galya Dimitrova, and the Deputy Mayor of the Municipality of Kazanlak, Aksenia Tileva. The discussion was attended by ESC representatives Plamen Dimitrov, Bogomil Nikolov and Ivelin Zhelyazkov, as well as representatives of the Confederation of Employers and Industrialists in Bulgaria (CEIBG) and the Kazanlak Chamber of Commerce and Industry. The topics included the effect of the euro area on competitiveness, investment, incomes and prices, as well as practical

information on the security of payments and the services of post offices in exchanging currency.

- Regional discussion on "The Euro Area Effect" (02.10.2025, Svishtov, D. A. Tsenov Academy of Economics): The event at the D. A. Tsenov Academy of Economics brought together students, lecturers and representatives of the local community and was part of the opening of the Academy's academic year. Members of the Economic and Social Council discussed with the young people the benefits and the forthcoming steps in Bulgaria's accession to the euro area. The students showed keen interest, with questions on prices, incomes, inflation and consumer protection.
- Regional discussion on "The Euro Area Effect" (10.10.2025, Karlovo, Vasil Karaivanov Hall): The event in Karlovo was the last in the series of regional discussions on "The Euro Area Effect". During the discussion, it was pointed out that Bulgaria's entry into the euro area will improve the investment environment and increase economic stability and living standards, while ensuring a level playing field for Bulgarian producers.
- Events organised by the Ministry of Finance and the BNB and supported by the ESC: within the framework of the communication campaign, the ESC was a major partner of the Ministry of Finance and the BNB in holding a series of regional information events and workshops. ESC members undertook to explain to businesses, working Bulgarians and citizens the advantages of adopting the euro and its benefits for the Bulgarian economy, for greater security, for higher incomes, as well as for an even better functioning of the European single market. Representatives of all three groups of the ESC took an active part in 11 (eleven) of the events, as speakers and/or moderators. The ESC contributed to the promotion of the campaign events and to the involvement of representatives of local communities.
- The ESC and its members, guided by the understanding that no question should remain unanswered and that objective and verified information is key to a smooth transition, supported the Ministry of Finance and the BNB, as well as all institutions involved in the overall campaign, in order to ensure broad coverage of the euro area topic before an audience of approximately 11 000 participants in total across the events.

- **Events organised by other organisations and supported by the ESC**
- Participation in the discussion "Bulgarian Tourism and Bulgaria's Accession to the Euro Area", with the institutional partnership of the Ministry of Tourism. The official guests at the event on 25 March 2025 were heads of the Bulgarian National Bank, the Ministry of Economy and Industry, the Ministry of Finance, the Economic and Social Council, the Commission for Consumer Protection, the Bulgarian Industrial Association and others.
- Working meeting of the members of the National Political Youth Forum on 05.09.2025 in the ESC hall: The event was also attended by the Vice-President of the ESC, Bogomil Nikolov, who discussed with the young people cases relating to the process of introducing the euro in Bulgaria. The youth representatives also received leaflets with useful information about the euro.
- Participation in the Annual Meeting of Local Authorities, High-Level Political Plenary Session "Financial Horizon 2026+", organised by the National Association of Municipalities, on 13 October 2025. In her address, the President of the ESC presented the key priorities of the ESC, the main points concerning the preparation of municipalities for the introduction of the euro, the role of the local administration in informing citizens and the opportunities for investment with European funds.
- Euro Days at the University of National and World Economy (UNWE), 05.11.2025: At the event, organised by UNWE, the BNB and the Institute for Economics and Policies, ESC representatives took part in the opening and in the expert panels, and presented the information materials they had produced.
- Printed and promotional materials:
- Leaflets with basic information: The content of the leaflets is designed to provide short answers to the essential questions about the adoption of the euro. The total number of leaflets printed and distributed during the campaign is 24 000. The texts are easy to read, with many visuals in suitable colours. The

leaflets are distributed at events and have been provided to the ESC member organisations in order to reach more stakeholders, local authorities, etc.

- Posters with basic information: 300 posters have been printed, with the aim of conveying, through striking visuals and short text, important information on essential questions of concern to citizens about the euro, important periods, the institutions responsible in the event of infringements, etc.
- Promotional materials: To promote the euro in Bulgaria, promotional materials branded with the campaign logos were produced. The promotional materials are used when holding events and have also been provided to the ESC member organisations for distribution on their part, so that they can reach the maximum number of people.

➢ **Online and social media publications:**

- Euro area section on the ESC website: A separate "Euro Area" section was set up on the ESC website, in which up-to-date news, useful information and podcasts are published, and promotional videos and materials of the Ministry of Finance and the Bulgarian National Bank are shared.
- Within the section, a chatbot was created that provides instant answers to questions relating to the euro, grouped into nine sub-topics: consumers, prices and currency conversion, incomes, contracts, inflation, loans, interest rates, business, and supervisory institutions. The chatbot draws information only from verified sources – the BNB, the Ministry of Finance and the specially created website https://evroto.bg/. The assistant also provides the option, where the question asked is not covered, of forwarding it to experts, who refer it for an answer to the competent line institutions.

By setting up the separate section, citizens' access to information and expert assistance on matters relating to the euro area was made easier.

- The ESC prepared and broadcast 6 (six) episodes of the podcast "Questions with Answers": In the clips, ESC members from the three groups – business, trade unions and civil society organisations – put questions to leading experts and representatives of institutions in order to make the steps in the accession process clearer. The topics

discussed included the period of dual display of prices, forecasts for workers' incomes, the supervisory functions of institutions, how and where to submit reports, the preparedness of businesses, how the country's economy will be affected by entry into the euro area, currency conversion, what consumers need to know, ways of telling the two currencies apart, how municipalities are preparing for the first days in the euro area, and others. The main aim was to give specific advice to businesses and citizens on preparing for the transition to the euro, including answering important questions related to the application of the legal framework and clarifying the specific steps and deadlines for preparing Bulgarian businesses for the introduction of the euro, and to provide useful information to prepare citizens for the first weeks after the change of the national currency.

The episodes are broadcast on the ESC website in the "Euro Area" section, on the ESC's YouTube channel and social networks, as well as on the websites of the ESC member organisations. The clips were also published on the channels of the online edition of "24 Chasa", where they reached 71 601 views. Short videos (Shorts) from the podcasts were also published on the 24chasa.bg website and on YouTube, generating additional views on social networks (Facebook, Instagram, TikTok), bringing the total number of views to over 130 000.

- Infographics: in order to reach as many people as possible, the leaflets were digitised in the form of infographics, which were published on the ESC's Facebook and LinkedIn pages and on the ESC website. They were also distributed through ESC member organisations.
- Publication of articles examining various aspects of the introduction of the euro in the newspaper "Club 100" and on 24chasa.bg: In the period 24.11–31.12.2025, a series of articles prepared by experts from the three groups of the ESC was published in the newspaper "Club 100", with the aim of providing useful and detailed answers to a number of questions relating to the euro area. They focus on consumer information for the period of transition to the single European currency, reporting of irregularities, contracts and annexes, practical explanations and other matters. Their aim is the clearest possible communication to the predominantly older readership of the print edition and the diverse audience of the news outlet. The publications in this section in "Club 100" and on 24chasa.bg reached over 1.2 million reads in total.

- Coverage of information meetings: The regional discussions held on "The Euro Area Effect" in Kazanlak, Svishtov and Kyustendil were covered by the ESC website, the Council's social networks, BTA, "24 Chasa" and regional media – ActualnoSvishtov (Svishtov), Kazanlak Info, Press TV (Kazanlak) and Karlovo – online (Karlovo). These regional media also disseminated interviews with Vice-Presidents and the President of the ESC. Information about the events also received further media coverage in other media through press releases.

➢ **Interviews and media publications**

As part of the ESC campaign to promote the adoption of the euro in Bulgaria, representatives of the Council took part in a number of national television and radio programmes and gave interviews to print and online media with national and regional reach, in order to explain the benefits of adopting the euro and to debunk fake news on the subject. As a result, we record over 380 thematic media items relating to the ESC and information on the euro area.

VI. THE ECONOMIC AND SOCIAL COUNCIL IN THE MEDIA. PUBLICATIONS OF THE COUNCIL

➢ **Analysis of the coverage of the Council's activities in 2025**

In 2025, the activities of the Economic and Social Council were covered in over 300 publications in national and regional media. These figures do not include the participation of the Council and its members on the euro area topic, which is dealt with in a separate chapter of this report and represents a substantial share of the ESC's media appearances.

The topics on the Council's agenda reached a wide audience through the participation of the President, the Presidential Council and ESC members – rapporteurs on the respective acts – in television programmes, radio interviews, print and online publications, as well as in podcasts of leading business media.

In 2025, the ESC consolidated its media presence as a recognised source of the expert positions of business, trade unions and civil society organisations and of their analyses,

conclusions and recommendations on key socio-economic topics, and especially with regard to the processes related to the euro area.

Among the media in which the ESC placed content in the form of press releases and interviews (current affairs programmes, guest news items, online and print) are: BTA, BNT, BNR, bTV, NOVA, Nova News, Bulgaria On Air, Bloomberg, Euronews, Focus (radio and online), 24 Chasa (print and online), Money.bg (podcast), Actualno.bg, Dir.bg, Novini.bg, Fakti.bg, Blitz.bg, PIK (podcast and online), Trud, Standartnews, News.bg and other national media. News from the ESC is regularly covered by regional media such as the newspaper and online agency "Utro" (Ruse), ProNews (Dobrich), Struma (Blagoevgrad) and others.

The largest part of the media coverage is achieved through press releases following the ESC Plenary Sessions, which present the main points of the adopted analyses, opinions and resolutions in a concise format accessible to the media. The extent of their dissemination depends mainly on the topic of the act – for example, whether it focuses on a consumer topic, whether it offers a solution to a public problem, or whether it deals with a topic of importance to every citizen.

Coverage of the press releases is observed in practically all leading media (with the exception of some business media that operate predominantly on a commercial basis), depending on the interest of their audience.

The greatest media attention during the year was attracted by the ESC's work on improving the pension system, the acts examining energy poverty and solutions for tackling it, high electricity prices and the recommendations for the national position, as well as the documents concerning the labour market, seasonal employment and the management of age and professional diversity in the workplace.

A successful practice is that, when the rapporteurs, the Vice-Presidents or the President of the ESC appear as guests on programmes, the data they cite are replicated in numerous online media with a specific emphasis from their statements. Around one third of the publications of the media content produced are owed to this dissemination mechanism.

The coverage of the ESC's activities in the media – radio, television, print publications and online media – contributes to giving visibility to Bulgarian organised civil society on current problems in the country. The high level of interest we register on the part of the media is a clear sign of the topicality of the subjects on which the ESC works and of the need for expert commentary on important economic and social topics in the media environment.

- **Website**

The existing website of the Economic and Social Council was redesigned with the aim of improving access to information, facilitating user navigation and modernising its look, as well as adapting it to the active work of the Council.

- **ESC publications**

During the reporting year, an information brochure was prepared and printed in Bulgarian and English, presenting the Economic and Social Council of the Republic of Bulgaria in accessible language.

For the first time, a brochure presenting the Council's activity report for 2024 was also published – again in both languages.

In addition, for the fourth consecutive year, the printed Bulletin No 4 of the acts adopted by the ESC in 2024 was published; it has become an annual publication with the corresponding identification number ISSN:2815–4088, in accordance with the requirements of the St St Cyril and Methodius National Library, printed by the "Science and Economics" publishing house of the University of Economics – Varna under a signed Bilateral Cooperation Agreement.

VI. ANALYSIS OF THE RESULTS OF THE ACTS OF THE ECONOMIC AND SOCIAL COUNCIL ADOPTED IN 2025

In 2025, the ESC continued to establish and uphold the effective participation of organised civil society in decision-making processes, to contribute to the economic and social

development of society and to the consolidation of democracy in Bulgaria. The significance and importance of the ESC's acts for the executive and legislative authorities stem from the fact that they present recommendations for implementing reforms and policies that enjoy the consensus of employers, trade unions and civil society organisations. Through its acts, the ESC participates in the implementation of all reforms of importance to the country and makes its contribution through opinions, resolutions and analyses on topics of significance to society.

The significance of the ESC's expert positions is also confirmed by the four proposals received from the President of the National Assembly pursuant to Article 5(1) of the ESC Act for the drawing up of acts on topics that concern some of the most important and contentious issues for society, which require the consensus position of the representatives of employers, workers and civil society organisations.

The ESC's own-initiative acts set out the consistent and consensus position of the representatives of organised civil society on topics that are priorities for Bulgaria's development.

During the reporting period, the ESC again directed its efforts towards proposing sustainable policies and solutions to respond to the challenges resulting from the series of social, economic and political crises. Through its acts, the Council sought to present consistent, pragmatic and appropriate recommendations to the executive and legislative authorities.

In the dynamic political environment, the consensus position of organised civil society on topics of importance to society is increasingly highly valued. The reflection of the ESC's recommendations by both the legislative and the executive authorities attests to the growing role and authority of organised civil society.

Results and effects of the ESC acts adopted in 2025:

➢ **"Analysis of the Extent of Inequality in Bulgarian Society" (BG), drawn up at the proposal of the President of the 51st National Assembly, adopted at the Plenary Session on 28.05.2025.**

With the adoption by the Economic and Social Council of the "Analysis of the Extent of Inequality in Bulgarian Society" (BG), the social partners show that inequalities stemming from systemic sources such as poverty, insufficient access to services and the marginalisation of entire groups in Bulgaria in the period after 2013–2014 are higher than the EU average. Bulgaria needs long-term policies and targeted action to reduce inequalities by ensuring equal opportunities for all. Implementing the recommendations made by the ESC would lead to a fairer, more supportive and more inclusive state policy towards every group regardless of origin, health status or social status, while reducing income inequalities in particular requires the introduction of a system of adequate remuneration for work and a fair tax and social security system.

➢ **"Analysis of Regional Imbalances in Labour Demand, Overall and by Main Economic Sectors, and Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG), drawn up at the proposal of the President of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025.**

The observed process of deepening regional imbalances signals an urgent need to rethink the regional policy pursued in Bulgaria to date. This was among the reasons why the Committee on Labour and Social Policy of the 51st National Assembly prepared a request to the ESC, through the President of the 51st National Assembly, to draw up an analysis on "Regional Imbalances in Labour Demand, Overall and by Main Economic Sectors, and Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG).

The analysis was presented at a meeting of the Committee on Labour and Social Policy of the 51st National Assembly held on 2.07.2025 by the President of the Council, Zornitsa Rusinova, and two of its rapporteurs – Valentina Zartova from Group I and Kostadin Kolarov from Group III.

The topic aroused interest among the Members of the National Assembly, and the discussion covered both the important structural problems identified, such as ageing infrastructure, lack of investment, demographic collapse and shortage of qualified staff in lagging regions and sectors, and measures to overcome them. The Chair of the Committee on Labour and Social Policy, Ms Denitsa Sacheva, stressed that the topic would remain a focus of the Committee's attention.

➢ **"Analysis of the Problems of Seasonal Employment in Bulgaria – Duration, Permanent Employment, Income and Social Insurance, Qualifications of Employed Persons" (BG), drawn up at the proposal of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025.**

As a result of the "Analysis of the Problems of Seasonal Employment in Bulgaria – Duration, Permanent Employment, Income and Social Insurance, Qualifications of Employed Persons" (BG), the Economic and Social Council presented its main conclusions and recommendations to Members of the Committee on Labour and Social Policy of the 51st National Assembly. The presentation outlined the key problems of seasonal employment – undeclared work, short duration of employment, unstable incomes, limited social protection and labour shortages – as well as the need for targeted legislative and management decisions. The presentation sparked an active discussion and received clear institutional attention, with the analysis being recognised as a timely and reliable expert basis for future parliamentary initiatives aimed at improving the regulation, control and sustainability of seasonal employment in Bulgaria.

➢ **Resolution of the Economic and Social Council on the need to accelerate the process of Bulgaria's accession to the Eurozone, adopted at the Plenary Session on 24.02.2025.**

The Resolution on the need to accelerate the process of Bulgaria's accession to the euro area reaffirmed the ESC's repeatedly expressed position in support of Bulgaria's accession to the Union's single currency system. In addition to highlighting the expected positive effects of full membership of the euro area, in

the resolution the ESC urged Bulgaria to request an extraordinary convergence report from the European Central Bank (ECB) and the European Commission (EC), given that the country met all the required membership criteria (as of 02.2025).

The resolution was sent to Christine Lagarde, President of the ECB, Paschal Donohoe, President of the Eurogroup, and Valdis Dombrovskis, European Commissioner for Economy and Productivity, Implementation and Simplification, in order to demonstrate the consensus view of Bulgarian business, working Bulgarians and non-governmental organisations in support of the process of Bulgaria's accession to the euro area.

From today's perspective, it can be concluded that the actions taken at the time achieved the desired result, and since the beginning of 2026 the official currency in Bulgaria has been the euro.

➢ **Opinion "Challenges to Access and Quality of Healthcare in the Republic of Bulgaria", adopted at the Plenary Session on 24.02.2025.**

Following the adoption of the opinion "Challenges to Access and Quality of Healthcare in the Republic of Bulgaria", the ESC provided an expert framework for reforms aimed at the efficiency of public expenditure, better resource planning and guaranteeing patients' rights. In the period since its adoption, processes have been implemented and/or stepped up that directly respond to some of the recommendations – including a discussion on amendments to legislation on health insurance and the management of public resources, progress on e-health and the development of the regulatory framework for telemedicine: in July 2025, a draft ordinance on remote medical care was published for public consultation. This is a concrete administrative outcome in a direction consistent with the recommendations to expand remote/mobile forms of care, especially for hard-to-reach areas and vulnerable groups. At European level, the opinion fits into the general direction of modernising systems through the European Health Data Space (EHDS) and efforts to improve the accessibility and sustainability of health policies, highlighting the importance of transparency, digital solutions and a cross-sectoral approach to long-term care.

➢ **Analysis "Developing Civic Competence in Children Through the System of School and Out-Of-School Education", adopted at the Plenary Session on 24.02.2025.**

As a result of the preparation and adoption of the analysis "Developing Civic Competence in Children Through the System of School and Out-Of-School Education", the Economic and Social Council achieved significant public and media visibility on the topic. The analysis was widely covered in the national media, including through interviews and public appearances by the President of the ESC and the rapporteur for the act, which helped to promote the main conclusions and recommendations among the general public. In addition, they presented the analysis at the sixth edition of the "Erasmus for Organised Civil Societies" initiative, held at the French Economic, Social and Environmental Council in Paris, which consolidated the international visibility of the ESC and its role as an active participant in the European exchange of good practices in the field of education and civic competence.

➢ **Resolution of the Economic and Social Council on the Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe, adopted at the Plenary Session on 24.03.2025, and Opinion "Price Disparities in Electricity Markets in Europe – Challenges for Bulgarian Industry and Ways to Overcome Them" (BG), adopted at the Plenary Session on 28.05.2025.**

By adopting, in succession over a few months, a resolution and an opinion on the topic of price disparities in electricity markets in Europe, the Economic and Social Council played a leading role in bringing the issue of regional price imbalances and excessively high electricity prices in South-Eastern Europe to the centre of the national public debate. The documents make a well-argued case for the need for pan-European intervention mechanisms in the event of extreme price deviations, as well as for the implementation of targeted national measures to protect industry and households.

At national level, the opinion set out clear grounds for shaping a targeted policy to compensate energy-intensive industry, taking into account the persistent nature of price disparities and their negative impact on the country's competitiveness, employment and economic security. The theses set out in the resolution and the opinion were highlighted at a forum organised by the Bulgarian Federation of Industrial Energy Consumers at the end of 2025. At the end of the year, the Ministry of Energy proposed a decree laying down the terms and procedure for implementing a programme to provide aid through compensation for temporary relief of electricity prices for energy-intensive consumers.

- **Analysis "ILO Convention No 151 on Labour Relations in the Civil Service", adopted at the Plenary Session on 24.03.2025.**

At present, a Plan for the Promotion of Collective Bargaining under Article 4 of the Directive on adequate minimum wages has been prepared and is due to be discussed by the Council of Ministers. It provides for the preparation of a draft Act amending and supplementing the Civil Servants Act with a view to promoting collective bargaining. When and what changes will be made, and whether they will be substantively linked to the ILO Convention, remains to be discussed. This fact, however, cannot be interpreted as a consequence of a possible ratification of the Convention.

No public discussions on ILO Convention No 151 have been held to date, and in this connection the analysis adopted by the ESC can be regarded as a basis for launching the debate among the competent institutions and stakeholder representatives.

- **Analysis "Work-Life Balance", adopted at the Plenary Session on 24.03.2025.**

Wider use of hybrid forms of work (a mix of office and remote work) and adaptive work schedules are among the main recommendations of the analysis

"Work-Life Balance" with regard to parents of children up to 12 years of age. The latest amendments to the Labour Code provide for such an option. In parallel, the draft budget for 2026 included financial measures consistent with the ESC's recommendations, including an increase in the child-raising allowance and a stronger incentive for mothers to return to the labour market earlier, which aim to limit the negative effects of prolonged absence from employment and to support a more sustainable combination of parenthood and professional fulfilment.

➢ **Opinion "A Vision for the Future of Agricultural Policy after 2027" (BG), adopted at the Plenary Session on 23.04.2025.**

One of the main outcomes of the adopted opinion is the formation and consolidation of a unified national position on the future of the Common Agricultural Policy after 2027. Reaching agreement between sectoral organisations, the administration and the executive on this topic is a rare but significant success for the sector.

The ESC's position was presented to Ms Yordanka Chobanova, Head of the EC Representation in Bulgaria, at a discussion held during the eighth Plenary Session meeting.

The importance of the ESC opinion as a basis for the national position clearly stood out in the discussions between the administration, the executive and sectoral organisations at the national forum on "The New Common Agricultural Policy after 2027", held on the initiative of the Minister of Agriculture and Food on 9 December 2025, as well as at the 13th National Agricultural Seminar under the motto "Agriculture in Restart", organised by the National Grain Producers Association on 27–29 November 2025.

The adopted vision and the ensuing public and expert discussions created a clear framework for protecting the national interest and for Bulgaria's active participation in the European debate on the future Common Agricultural Policy.

➢ **Opinion "Measuring Energy Poverty in Bulgaria and Europe. Policies to Deal with Energy Poverty in Bulgaria in the Context of Energy Market Liberalisation for Household Consumers", adopted at the Plenary Session on 28.05.2025.**

"… Policies to Deal with Energy Poverty in Bulgaria in the Context of Energy Market Liberalisation for Household Consumers" was widely covered by leading national media (NOVA News, StandartNews, Economic.bg, BNR), which placed the issue of protecting energy-poor and vulnerable consumers at the centre of the public agenda.

The opinion served as a key argument for the need for urgent legislative changes before the full liberalisation of the energy market for household consumers. As a result of the public debate and the data presented on nearly 1.8 million citizens at risk, a Bill amending and supplementing the Energy Act was tabled in and adopted by the National Assembly. These amendments provided for the establishment of a dedicated Information System for Households in a Situation of Energy Poverty, maintained by the Sustainable Energy Development Agency. Strategic agreement was reached on automatic ex officio data exchange between the Ministry of Labour and the Ministry of Energy, thereby removing the administrative burden in identifying those in need.

Data from the opinion were directly integrated into the official draft of the Social Climate Plan of the Republic of Bulgaria, submitted to the European Commission in June 2025. This ensures the targeting of more than BGN 5 billion from European funds towards the most vulnerable households through energy efficiency measures and grant-funded building renovation.

The active stance of the Economic and Social Council and the participation of its rapporteurs in parliamentary committees contributed to the definition of criteria balancing economic reforms with social security. The implemented recommendations turned the document into a working framework for state policy and strengthened the role of the ESC as a key consultative body.

➢ **Analysis "The Circular Economy and Its Impact on Occupational Safety and Health" (BG), adopted at the Plenary Session on 11.07.2025.**

The ESC analysis contributes to strengthening the institutional and political focus on occupational safety and health as an integral part of the circular economy and serves as an expert basis for subsequent administrative and strategic processes.

Following the adoption of the analysis, the topic of the impact of the circular economy on occupational safety and health has been included more clearly in expert and inter-ministerial discussions related to the green and digital transition. The ESC analysis helped to consolidate the understanding that the transition to sustainable economic models should be accompanied by adequate measures to protect workers. As a result of the analysis, the institutional focus on the need for better coherence between environmental legislation and the OSH regulatory framework was strengthened, including in the application of environmental impact assessment procedures and the control of activities with increased occupational risk.

➢ **Analysis "Public-Private Partnerships in the Educational and Social Sphere: Support, Benefits, Challenges and Recommendations" (BG), adopted at the Plenary Session on 11.07.2025.**

The analysis helped public-private partnership to be accepted as an applicable instrument for social services and education as well, while preserving the leading role of the state and municipalities and the protection of the public interest. Through a systematic legal analysis of sectoral legislation, including the Concessions Act, the analysis made the case for the possibility of contracting out social services to providers also through concession mechanisms, alongside the forms provided for in the Social Services Act, as an instrument for long-term investment, sustainability and improving the quality of services.

As a result of the analysis and its subsequent discussion within the Coordination Council on Concessions at the Council of Ministers, reflected in an official report of the administration of the Council of Ministers, an institutional

rethinking was initiated of the practice applied and of the initial position of the Ministry of Labour and Social Policy regarding the inapplicability of the Concessions Act to social services. The ESC analysis thus contributed directly to a change in the institutional approach to the permissible legal instruments for contracting out social services and to expanding the opportunities for using public-private partnerships in the social sphere.

➢ **Resolution "European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient", adopted at the Plenary Session on 25.07.2025.**

The Resolution of the Economic and Social Council on the EU's strategic approach to the Black Sea region is timely and brought the topic of security, sustainable development and the coordination of European policy in the region into the focus of the institutions. The resolution contributed to consolidating the national position on key elements of the strategy, to a clearer articulation of Bulgaria's priorities and to more active participation in the debate on the future of the Black Sea in the context of the financial framework and regional security. On 24 July 2025, the ESC Presidency Council took part in a meeting of the Bureau of the External Relations Section (REX) of the European Economic and Social Committee, where opportunities for closer cooperation between the countries of the region and the EU, sustainable development and the active involvement of civil society were discussed, which further strengthened the role of the ESC as a bridge between national consultative dialogue and European institutional processes.

➢ **Opinion "The Scope and Quality of Education as Factors for Increasing Productivity and GDP" (BG), adopted at the Plenary Session on 25.07.2025.**

Following the adoption of the opinion by the Economic and Social Council, the Bulgarian Industrial Capital Association (BICA) prepared an additional analysis, which was presented

to the association's Management Board. Support was given to organising a broader discussion in 2026, once the political situation has stabilised, with a view to putting forward concrete proposals.

During the period, no public discussions, round tables, conferences or other public events were held, nor was the regulatory framework amended.

➢ **Analysis "Carbon Border Adjustment Mechanism (CBAM): Challenges for the Bulgarian Industry and Ways to Overcome Them", adopted at the Plenary Session on 26.09.2025.**

In autumn 2025, the European Commission proposed, and the European Union adopted, a postponement of the introduction of the financial obligations under the CBAM to 1 February 2027. The measure represents a political compromise, driven by considerable pressure and criticism of the Mechanism from industry, which also received institutional support from the European Parliament and a majority of Member States, including Bulgaria.

With the adoption of the Carbon Border Adjustment Mechanism (CBAM), key sectors of Bulgarian industry are affected – metallurgy, cement, aluminium, chemicals, fertilisers and electricity. For Bulgaria, as a country with high carbon intensity and dependence on energy-intensive production, the risk of production relocation and job losses is significant. The topicality of the issue calls for continued discussions with the competent institutions, including with a view to ensuring adequate support for businesses in implementing the mechanism.

➢ **Resolution of the ESC on "Multiannual Financial Framework 2028 – 2034", adopted at the Plenary Session on 24.10.2025.**

The topic of the MFF 2028–2034 will remain in the focus of European and national institutions and stakeholders in the coming year as well. The adopted resolution is extremely timely and provides additional arguments for forming a strong national position in the negotiations at European level. The ESC firmly expresses the position

of the social partners and civil society organisations in support of a strong cohesion policy, more flexible and effective management of funds and a stronger social focus. By adopting the resolution, the Council demonstrated its willingness and expertise to participate in the consultation process in formulating a national position and in effectively representing Bulgaria's interests at European level.

➢ **"Analysis of Policies and Opportunities for Horizontal Support for Helping Professionals in the Educational and Social Sectors" (BG), adopted at the Plenary Session on 24.10.2025.**

By adopting the analysis "Policies and Opportunities for Horizontal Support for Helping Professionals in the Educational and Social Sectors" (BG), the Economic and Social Council brings to the fore the need for a comprehensive and sustainable approach to supporting professionals working in key public systems – education and social services. The analysis systematises the main challenges related to professional burnout, administrative burden and the lack of structured support, and formulates practical policy guidelines, including the introduction of supervision, psychosocial support, interprofessional training and the use of digital tools. Although no specific legislative or administrative changes implemented as a direct consequence of the analysis have been recorded to date, the document provides an applicable expert framework that can be used by national institutions in developing future measures and programmes. The analysis also fits into the broader European context of policies supporting human capital and the sustainability of public services, contributing to aligning the national debate with good European practices.

➢ **Analysis "The Financing of the Bulgarian Healthcare System" (BG), adopted at the Plenary Session on 28.11.2025.**

In the course of drawing up the analysis "The Financing of the Bulgarian Healthcare System" (BG), the Director of the National Health Insurance Fund and members of

his team took part in a meeting of the competent committees of the Economic and Social Council at which the draft analysis was discussed. This participation reflected the high public significance of the topic and contributed to an in-depth and informed expert dialogue on the key issues of health financing. The active engagement of the NHIF consolidated the positioning of the ESC as an important consultative body in the public policy-making process and helped to formulate balanced and practically applicable conclusions and recommendations for the sustainable development of the healthcare system.

➢ **Analysis "Needs of Enterprises and Employees for Faster Adaptation to the Changes Related to the Transition to a Green and Circular Economy and Digitalisation" (BG), adopted at the Plenary Session on 28.11.2025.**

In 2025, key documents were finalised and updated at policy level – including the update of the Integrated National Energy and Climate Plan (NECP), as well as the start of preparations for a new version of the strategic framework for the circular economy. The Government accelerated the procedures under the Just Transition Fund and started the actual contracting of investments in the affected coal regions. In the field of digital transformation, the new Strategy for the Digital Transformation of Bulgaria 2026–2030 was adopted in 2025 and the networks of European Digital Innovation Hubs were activated, continuing to provide services to SMEs.

In the area of skills and the labour market, specific reforms and steps were also implemented in 2025. The Ministry of Education expanded micro-qualification programmes and launched an update of curricula towards STEM, green and digital skills. The expansion of dual training also continued through new occupations and partnerships with business, supported by the Education Programme and the Ministry of Labour and Social Policy.

In the energy sector, 2025 is a key year for unblocking the reforms set out in the National Recovery and Resilience Plan (NRRP) – including the procedures for renewable energy for self-consumption and energy efficiency. Working groups have also been activated at the Ministry of Innovation and Growth, the Ministry of Energy and the Ministry of Labour and Social Policy to develop a National Skills Map. All this shows that 2025 was a year of significant operational and regulatory developments, although many of the measures are still at an early stage of implementation.

➢ **Opinion "Measures for Managing Age Diversity in the Workplace in the Context of the Competitiveness of Enterprises in Bulgaria" (BG), adopted at the Plenary Session on 28.11.2025.**

By adopting the opinion, the Economic and Social Council placed the topic of age diversity at the focus of the public and institutional debate as a key factor for the sustainable development of the labour market and the competitiveness of the economy. The document contributed to a clearer awareness of the need to adapt labour policies to demographic change and to promote an inclusive working environment for workers and employees of all age groups.

At national level, the opinion outlined specific regulatory and administrative shortcomings and proposed practical guidelines for improving the management of age diversity, including through the prevention of discrimination, violence and harassment in the workplace and through better use of the potential of older workers. In this way, the ESC made an expert contribution to the shaping of future policies and administrative measures in the fields of labour, social protection and human capital development.

At European level, the opinion fits into the general debate on the "just transition" and the need for a stronger social dimension of economic competitiveness. By referring to international and European standards, the document supported efforts towards better coordination between economic, social and labour policies and towards establishing active social dialogue as an instrument for tackling the challenges of an ageing workforce.

➢ **Analysis "Assessment of the Impact of the Social Services Act (on the Quality of Services, the Career Development of Social Workers and Budgetary Efficiency)" (BG), adopted at the Plenary Session on 19.12.2025.**

By adopting the analysis "Assessment of the Impact of the Social Services Act (on the Quality of Services, the Career Development of Social Workers and Budgetary Efficiency)" (BG), the Economic and Social Council provides a comprehensive

expert assessment of the implementation of the Social Services Act and has outlined key structural shortcomings that directly affect the quality of services and the sustainability of the system. The analysis clearly identifies the need to adopt key secondary legislation relating to financing standards, the workload of social workers and effective monitoring, thereby placing concrete priorities on the agenda of the responsible institutions. The document helps to refine the debate, moving from general assessments to clearly formulated regulatory and administrative solutions aimed at improving governance, accountability and the professional sustainability of staff in the sector. The analysis provides an applicable framework for subsequent reforms and fits into the broader European context of policies on quality, efficiency and human resources in social services.

➢ **Opinion "Minimum Wage and Cost of Living: European Practices and Measurement Models", adopted at the Plenary Session on 19.12.2025.**

With the adoption by the Economic and Social Council of the opinion "Minimum Wage and Cost of Living: European Practices and Measurement Models", the social partners express their commitment to continuing an open and constructive dialogue on issues related to the minimum wage.

The topic is a priority for the country and, in line with the European principles of social partnership, employers' organisations and trade unions will continue to seek balanced and predictable solutions that combine adequate incomes with economic sustainability. Dialogue will remain a key instrument for achieving social cohesion and competitiveness.

➢ **Effects and results of the "Analysis of the Current Pension System and Proposals for Its Improvement" (BG), drawn up at the proposal of the 49th National Assembly, adopted at the Plenary Session on 13.12.2024.**

The analysis of the Economic and Social Council is at present the only expert-developed and consensually adopted document prepared following

a systematic analytical process over the course of one year, involving a series of structured discussions and consultations with representatives of the social partners, the competent institutions and other stakeholders. The methodological approach, based on combining analytical assessment, comparative review and institutional dialogue, gives the document a high degree of expert substantiation and institutional legitimacy. The conclusions drawn outline a clear need to improve the pension system in the areas of long-term sustainability, increased efficiency and financial stability, as well as to address the identified disparities between insurance contributions and the pension rights acquired. At the same time, the analysis confirms that the current three-pillar pension model in Bulgaria is the result of a lengthy process of institutional and social bargaining, and that maintaining a balanced interaction between its elements is a key condition for adequately managing the existing structural and demographic challenges facing the system.

Following the public presentation of the conclusions and recommendations of the "Analysis of the Current Pension System and Proposals for Its Improvement" (BG) on 24 February 2025, the analysis of the Economic and Social Council has gained institutional legitimacy as a key expert reference point for the future development of pension policy. The very format of the presentation – with the participation of representatives of the legislative and executive branches, the social partners and the supervisory authorities – confirmed the role of the analysis not only as a methodological tool but also as a platform for building a shared understanding of the necessary directions for improvement.

In this context, the proposal by the Chair of the Committee on Labour and Social Policy of the 51st National Assembly to draw up a roadmap demonstrated a clear political will for decisions based on expert analysis.

From a strategic point of view, the ESC analysis provides a framework for the long-term management of the pension system, aimed at combining financial sustainability, social adequacy and intergenerational fairness. Of particular importance is the emphasis placed on reducing the disparities between insurance contributions

and pension rights, which positions pension reform as an element not only of fiscal policy but also of the broader social contract between the state, the labour market and citizens. The conclusions of the analysis confirm that the three-pillar pension model in Bulgaria should not be subject to fragmented and short-term adjustments, but rather to carefully calibrated changes based on a balanced interaction between the pay-as-you-go, funded and voluntary pillars. Maintaining this balance is a key condition for addressing demographic pressure, maintaining confidence in the system and ensuring the predictability of pension rights in the long term.

As a result of the impetus given by the analysis of the Economic and Social Council and the ensuing intensified public and expert debate on the long-term sustainability of the pension system, the regulatory institutions were also mobilised. In this context, the Financial Supervision Commission formulated proposals for changes relating to the introduction of a multi-fund model in supplementary pension insurance, which were also presented to the Plenary Session. These proposals are currently part of a bill of the Ministry of Finance published for public consultation and represent a first step towards a possible regulatory upgrade of the existing framework.

PRESIDENT:

ZORNITSA RUSINOVA

ANNEX 1

SUMMARIES OF ACTS OF THE ECONOMIC AND SOCIAL COUNCIL DRAWN UP AND ADOPTED IN 2025

I. Acts of the Economic and Social Council at the proposal of the President of the National Assembly pursuant to Article 5(1) of the ESC Act

➢ **"Analysis of the Extent of Inequality in Bulgarian Society" (BG), drawn up at the proposal of the President of the 51st National Assembly, adopted at the Plenary Session on 28.05.2025**

Conclusions and recommendations:

1. The Economic and Social Council of the Republic of Bulgaria (ESC) has adopted a series of acts devoted to the problems of inequalities in the country. They address the following issues: income inequalities; educational inequalities; the state of wages; the working poor; energy, water and transport poverty; guaranteeing decent work in supply chains; the problems of equal pay; the problems of wage indexation in the private sector; the disparities in the demographic and socio-economic development of the planning regions; the policy of catch-up economic growth; and others. The ESC reaffirms the conclusions and recommendations set out in these acts and provides a list of them (in chronological order of adoption) in an annex to the analysis. They form an integral part of the positions advocated by the ESC with regard to the problems of inequalities in Bulgarian society.

1.1. The extent of income inequalities in Bulgarian society is a consequence of the accumulated imbalances in the distribution of wealth. In this connection, the way to curb them is to stimulate economic growth based both on creating a favourable environment for the operation and expansion of business in the country and on a convergent horizontal incomes policy.

1.2. Viewed retrospectively over a thirty-year historical period (from 1992 to 2022) on the basis of four indicators (the Gini coefficient, the income share of the richest 10%, the income share of the poorest 50% and the

Palma ratio), pre-tax income inequalities in Bulgaria have been measured as lower than the world average.

1.3. Historically, over the thirty-year period under review, pre-tax inequalities in Bulgaria, as measured by the four indicators listed above, have been at times lower and at times higher than the EU average in different time intervals. However, inequalities in Bulgaria were measured as lower in earlier periods, whereas after 2013–2014 it can be generalised that they are higher than the EU average. Income inequalities in Bulgaria remain stable, with some fluctuations. They can be reduced through adequate remuneration of labour and a fair tax and social security system.

1.4. The data show that the global trend is towards a reduction in income inequalities, but in many countries, including in the EU, and in Bulgaria in particular, they are increasing.

1.5. According to the trade unions, the options for reducing income inequalities in Bulgaria through tax and social security policy involve the introduction of:

1.5.1. progressive taxation (a tax-free allowance for incomes up to the subsistence minimum), while maintaining the tax and social security burden on middle incomes;

1.5.2. a minimum wage that should, in the medium term, come as close as possible to the cost of living;

1.5.3. household income taxation that takes into account the number of household members, and deduction of certain essential expenses from the tax base;

1.5.4. a change to the social security system by strengthening the social responsibility of high incomes;

1.5.5. a change in the ratio of direct to indirect taxes as a share of state budget revenue, since at present the main burden is borne by all citizens through their consumption.

1.6. The share of the working poor in the Republic of Bulgaria continues to grow.

1.7. The tax and social security system in Bulgaria makes a certain contribution to reducing income inequalities. The full comparison made of the impact of the tax system in the EU Member States and the United

Kingdom (the former EU-28) on four indicators used to measure income inequalities (the Gini coefficient; the income share of the richest 10%; the income share of the poorest 50%; and the Palma ratio) shows that, overall, the tax system in Bulgaria does have an impact on income inequalities. At the same time, the statistical data for the four indicators also give grounds to assert that the country's tax and social security system could contribute more.

1.8. An adequate, consistent and sustainable policy to curb income inequalities is needed, because they have a direct and indirect impact across a wide range of areas and effectively catalyse negative effects on demography, trust in the state, crime, corruption, illiteracy, the migration of skilled professionals, and the growth in the share of the grey and black economy.

1.9. In formulating proposals on the substance of this policy, the approach must always be holistic and take into account the impact of all factors, rather than focusing on one point or another. In society, and in particular among the social partners, there is division and noticeable polarisation as regards the possible approaches and instruments that could be used to pursue the overall policy of reducing income inequalities. Greater trust and a search for consensus are needed between the parties, which should in principle agree that keeping income inequalities within acceptable limits is necessary and may even be treated as an element of national security.

1.10. The unstable political environment, low trust in institutions and the lack of an adaptive and sensible economic and incomes policy tailored to local circumstances pose serious obstacles to the pursuit of effective policies to reduce income inequalities. Should the need to overcome the negative impact of poverty be recognised, and should consensus be reached in society on pursuing effective comprehensive policies to reduce inequalities, particularly income inequalities, balanced solutions could be achieved that would be supported by all stakeholders.

1.11. A very important long-term factor in reducing income inequalities is education and the development of future competences that increase human capital and its adaptability to the requirements of higher value-added businesses. A clear correlation has been demonstrated between the quantity and quality of education (with particular emphasis on quality for more developed countries, including Bulgaria) and economic growth, i.e. increased productivity and, accordingly, GDP. The available research shows a relationship between educational and income inequalities. In countries with lower inequalities, it is education that is the strongest equaliser of inequalities when viewed in terms of family background.

1.12. According to the latest Eurobarometer survey, Bulgaria ranks first in the EU on a number of youth entrepreneurship indicators. Youth entrepreneurship, especially outside Sofia, helps to reduce income inequalities and provides higher incomes for young people.

1.13. The current tax system creates the conditions for young Bulgarians to return from abroad, both as employees and as entrepreneurs. Moreover, it also attracts a certain number of highly qualified specialists from abroad who do not replace the Bulgarian workforce, but make it possible for businesses to operate that would otherwise not be located in Bulgaria.

1.15. Various studies of the informal, hidden or unreported economy show that income inequalities are lower when hidden incomes are taken into account. The state needs to take swifter measures to counter the "grey" economy, which will also lead to a further reduction in income inequalities. Measures in this direction will also have an additional equalising effect, as they will guarantee higher social transfers. Many of the low pensions at present are also due to the fact that a large proportion of pensioners did not make social security contributions on their actual incomes, especially before our accession to the EU.

1.16. A series of ESC acts devoted to the problems of inequalities have found that economic inequalities continue to be a major factor in the social exclusion of children, persons with disabilities and older people.

1.17. Access to quality education, healthcare, social services and the labour market remains limited for vulnerable groups.

1.18. Social support systems are insufficiently coordinated and often fail to ensure sustainable inclusion in society.

1.19. A reduction in income inequalities can be achieved through the sustained application of the measure "Personal income tax relief of a set amount for one, two or more children". At present, this amount is BGN 1,000 per month for two and three children, which means that a parent's income at the level of the minimum wage is in practice tax-free. For higher earnings, the personal income tax rate is also reduced. This approach contributes both to reducing inequalities and to supporting working parents with children; increasing the amount of tax relief will strengthen these effects and should be reflected in the Personal Income Tax Act.

1.20. In order to reduce inequalities, the ESC also recommends:

1.20.1. Updating cross-sectoral strategies and visions with a long-term horizon, e.g. the National Strategy for the Child, the strategy for active ageing, and the strategy for the inclusion of persons with disabilities.

1.20.2. Increasing public investment in social infrastructure: nurseries, day centres, hospitals, schools and an accessible environment.

1.20.3. Strengthening educational and labour market integration through targeted programmes, vocational training and social enterprises.

1.20.4. Modernising healthcare, especially in small settlements, through telemedicine, mobile teams and better funding of prevention.

1.20.5. Reducing administrative barriers and integrating data for better planning and monitoring of policies.

1.21. Detailed recommendations by main area:

1.21.1. Education:

1.21.1.1. Ensuring equal access to quality education, including pre-school education, especially for children from vulnerable groups.

1.21.1.2. Introducing measures to reduce early school leaving through educational mediators, social workers and motivational programmes.

1.21.1.3. Increasing investment in vocational education, dual programmes and STEM training in small and rural settlements.

1.21.1.4. Strengthening support for pupils with special educational needs through resource teachers, accessible infrastructure and digitalisation.

1.21.2. Healthcare:

1.21.2.1. Expanding access to paediatric, geriatric and specialised medical services through mobile teams, telemedicine and financial incentives for medical staff.

1.21.2.2. Introducing free preventive check-ups, vaccinations and screening programmes for children, persons with disabilities and older people.

1.21.2.3. Improving conditions and funding in maternal and child healthcare.

1.21.2.4. Optimising the TELK system (territorial medical expert commissions) for faster access to rights and services.

1.21.3. Social support and services:

1.21.3.1. Developing a network of day centres, home care and community-based services for children, older people and persons with disabilities.

1.21.3.2. Increasing funding for social services and introducing individualised care plans.

1.21.3.3. Supporting families raising children with disabilities through more flexible social programmes, psychological assistance and financial relief.

1.21.3.4. Increasing the capacity and qualifications of professionals in the sector.

1.21.4. Employment and economic inclusion:

1.21.4.1. Updating incentives for employers through tax relief and subsidies for hiring persons with disabilities and older persons.

1.21.4.2. Strengthening support for social enterprises and for retraining and continuing training programmes.

1.21.4.3. Strengthening monitoring of compliance with employment quotas for persons with disabilities, with enforcement controls and flexible implementation mechanisms.

1.21.4.4. Promoting labour market integration through mentoring programmes and a transition to a more inclusive labour market.

1.21.5. Accessible environment and infrastructure:

1.21.5.1. Renovating schools, hospitals and public buildings in order to ensure full physical accessibility.

1.21.5.2. Developing accessible urban and intercity transport, with a focus on small settlements.

1.21.5.3. Ensuring access to the internet and digital services for vulnerable groups through public access points and training.

1.22.6. Civic engagement and participation:

1.22.6.1. Expanding access to extracurricular, volunteering and cultural activities for children and adults.

1.22.6.2. Improving media and financial literacy through educational programmes.

1.22.6.3. Involving persons with disabilities and older people in the policy planning process through public consultations.

1.22.7. Administrative and political coordination:

1.22.7.1. Integrating data from the NSI, the Ministry of Labour and Social Policy, the Ministry of Education and Science and the Ministry of Health for effective monitoring and targeted funding.

1.22.7.2. Establishing inter-agency units for managing policies targeting vulnerable groups.

1.22.7.3. Accelerating the process of deinstitutionalisation and the development of community-based services.

➢ **"Analysis of Regional Imbalances in Labour Demand, Overall and by Main Economic Sector, and Measures and Actions to Reduce Them, Including with the Help of New Technologies" (BG), drawn up at the proposal of the President of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025**

Conclusions and recommendations

1. In this act, the ESC analyses the problem of regional imbalances in labour demand and proposes policies and measures to overcome it, aimed at:

a) building a regional basis for labour market policies;

b) activating tripartite partnership in the new regional structures;

c) an integrated approach to labour market problems (regional research and forecasting of labour needs, to serve as the basis for planning the specific interventions required);

d) effectively combining the regional and market approaches in addressing labour imbalances;

e) systematic and good coordination of the work of the competent institutions, taking into account the role of stakeholders;

f) relating the identified labour market problems to the new framework of regional transformation and making them an element of local policies.

2. The proposed reform to reduce the number of planning regions from 6 to 4 is intended to align statistical regionalisation with European standards and to facilitate strategic management[2]. The ESC stresses that this change is administrative and will not solve the problems related to imbalances in labour demand by region and economic sector. It considers that additional policies and specific measures also need to be implemented.

3. The ESC points out that the new regionalisation will change the data on disparities between regions, but the identification of all specific problems must continue. In this sense, this analysis will retain its relevance after the change in regionalisation, as it describes the specific situation in the regions, which will not be affected by the statistical changes.

4. The ESC considers that real economic measures are needed to address structural problems such as the lack of investment, ageing infrastructure, demographic decline and the shortage of skilled workers in underdeveloped areas and in certain economic sectors.

5. The ESC notes that the main causes of regional imbalances in labour demand are low labour incomes and the uneven distribution of wages across

[2] ESC OPINION ON THE PLANNING REGIONS IN THE REPUBLIC OF BULGARIA AT NUTS 2 LEVEL (own-initiative)

economic activities and regions, as well as differences in economic conditions, the lack of opportunities for economic development across regions, obstacles to the development of competitiveness and the need to promote entrepreneurial activity, which lead to significant internal and external migration.

6. The ESC finds significant regional imbalances in labour demand, with the South-West Region accounting for over 50% of the country's GDP, while the North-West Region contributes a mere 6.89%.

7. The ESC calls for more active involvement of the social partners in the formulation and implementation of active labour market policies, including strengthening their role in the National Employment Action Plan and closer coordination with the Employment Agency.

8. The ESC notes that the unstable rates of economic activity in the regions are also reflected in unstable labour demand. Sharp falls in real GDP growth in the regions that account for a smaller share of it may be due to the cessation of activity by a small number of firms or even by a single large enterprise. Once the new regionalisation enters into force, the sharp divergences in the development dynamics of individual regions are expected to be largely overcome. Nevertheless, imbalances in the economic development of the regions will necessarily continue to exist, since, owing to geographical, natural and demographic conditions, individual economic sectors carry different weight in different regions.

9. The ESC considers that demographic decline and the mass emigration of the young and educated population to the large cities and abroad are deepening disparities between regions, especially in lagging areas. Enterprises are experiencing serious problems in finding qualified staff, and this problem also hampers the much-needed action for technological development, modernisation, and the expansion and diversification of production and services.

10. The ESC finds that the services sector dominates the economy and that its decentralisation can contribute to the development of all regions that rely on traditional low-productivity economic activities.

11. The ESC finds that, for the reasons set out above, the differences in labour incomes between regions are increasing, which reinforces social inequality.

12. In the view of the ESC, the introduction of new technologies is uneven, with developed areas that have a skilled workforce absorbing them, while lagging areas remain dependent on low-skilled labour, which hampers their opportunities for technological renewal and economic development.

13. The ESC finds that all sectors (including the public sector), especially in the regions outside Sofia, face a chronic shortage of qualified staff (e.g. teachers, doctors, specialists in the food industry, tourism, etc.).

14. In the view of the ESC, targeted investment in infrastructure, digital technologies and green innovation needs to be directed to lagging regions in order to stimulate the diversification of economic activities.

15. The ESC recommends the development of educational programmes and training tailored to the needs of local labour markets, including training in digital skills and green technologies.

16. The ESC considers that support for the development of small and medium-sized enterprises in regions outside Sofia should be strengthened through tax relief, access to finance for new technologies and the promotion of cooperation, including in technology clusters.

17. In the view of the ESC, migration policies need to be implemented (including by improving infrastructure and public services) to attract Bulgarian emigrants back to the country through return incentives.

18. The ESC recommends developing better instruments for the labour market inclusion of third-country nationals (such as identifying the third countries whose workers are suitable for the Bulgarian labour market, digitalising the procedures for hiring these nationals, expanding bilateral agreements in the field of labour migration, developing annual programmes for recruiting workers from these countries, etc.).

19. The ESC recommends improving working conditions and raising pay levels in the public sector, including through the means of social dialogue where necessary, especially in healthcare, transport and administration, in order to reduce staff

turnover. At the same time, account should be taken of the fact that in many regions the state and the municipalities are a significant employer not subject to the usual business logic.

20. The ESC considers that promoting remote work and the use of digital platforms can create jobs in small towns and thus reduce migration to large cities.

21. In the view of the ESC, cooperation between the state, business and educational institutions needs to be strengthened in order to forecast future staffing needs and adapt curricula.

22. The ESC recommends reforms of the tax and administrative system, in close cooperation with the social partners, to reduce the grey economy and undeclared work. The ESC recommends reducing administrative burdens and improving the conditions for doing business with a view to improving the conditions for formal employment.

23. The ESC firmly maintains that the study and interpretation of demographic projections must be reoriented from treating them as statistical facts towards placing them at the core of medium- and long-term strategies that respond to the specific challenges facing regions and local communities.

24. In the view of the ESC, Bulgaria's regional and national competitiveness, as well as the effectiveness of demographic policy, are mutually conditioned by the contemporary requirements for the workforce, which must possess adequate knowledge and skills, flexibility and adaptability, attitudes, cultural orientation and civic awareness. Imbalances in the regions may manifest themselves not only in terms of the demand for and supply of highly skilled labour; depending on the growth conditions in different sectors, market mismatches may also arise in low-skilled occupations.

25. The ESC considers that, in order to address the problems related to regional imbalances in the labour market in the context of entirely new conditions (regional reform, the digital and technological transformation of the Bulgarian economy and society, decarbonisation and the circular organisation of

industry, global influence, etc.), the key questions to be raised concern the adequacy of the forecasting models used to date.

26. The ESC concludes that regional imbalances in the labour market by sector of economic activity are also a function of entrepreneurial activity and are most pronounced in sectors that are developing relatively faster.

27. The ESC proposes building a dynamic system for researching and forecasting labour needs that responds adequately to regional conditions and serves as the basis for planning the types of, and resources for, the necessary policies/interventions. The integrated approach has proven to be a key factor in supporting the regions and business and in stimulating the growth of the Bulgarian economy.

28. With a view to the strategic and effective use of labour resources, achieving economic growth, increasing productivity and a rapid pace of technological transformation of the economy and society, the ESC proposes that the regional aspects of national statistics be developed and incorporated into the planning basis of the strategies and documents already adapted to the new conditions.

29. The ESC states that, in order to provide systematic and functional support for the regional mechanism following the transformation at NUTS 2 level, and with a view to effectively overcoming existing and new imbalances in labour demand and supply, the format of tripartite dialogue and partnership should be applied in the new regional structures.

30. The ESC shares the idea of introducing a systematic approach and good coordination of the work of the competent institutions, taking into account the role of stakeholders.

31. The ESC considers that the education system is a major factor contributing to labour shortages. Employers often point out that there is a mismatch between the needs of business and the knowledge, skills and competences taught in schools and universities.

- **"Analysis of the Problems of Seasonal Employment in Bulgaria: Duration, Sustainable Employment, Incomes and Social Security, Qualifications of Employed**

Persons" (BG), drawn up at the proposal of the President of the 51st National Assembly, adopted at the Plenary Session on 16.06.2025

Main conclusions:

1. The ESC finds that seasonal employment is an essential element of the labour market and that our national legislation provides a variety of legal options for ensuring seasonal employment.

2. Registration and information systems covering individual parameters of seasonal employment have been set up under several state bodies/administrations, but they are not sufficiently linked or coordinated with one another.

3. At the same time, there are a number of areas requiring targeted legislative and management decisions, including:

3.1. the need to improve the collection, analysis and dissemination of statistical data on seasonal employment for the purposes of effective management and policy-making, including an analysis of the links between the various information and registration systems related to seasonal employment and of the completeness of the information collected, with a view to ensuring the quality data needed for management decision-making;

3.2. the growing dependence on third-country workers in certain sectors and the resulting need for effective regulation of this process in line with the needs of the economy and the rights of workers, including a review of the sectors comprising activities whose performance depends on the change of seasons;

3.3. certain elements of concluding one-day employment contracts create an administrative burden and lead to additional costs and a drain on employers' time and resources;

3.4. more generally, there is the question of the nature of one-day employment contracts, given their result-based character, which brings them close to a civil-law relationship;

3.5. the adoption of targeted measures to support employers in seasonal sectors, including the development and implementation of training and qualification programmes for workers, the promotion of investment in technology, the improvement of

working conditions and the stimulation of cooperation between educational institutions and business.

4. The ESC notes that the European Labour Authority and the European Migration Network set out a number of findings in their studies and reports on seasonal employment which are relevant to attracting seasonal workers and protecting their rights, aimed at:

4.1. ensuring decent working conditions, fair pay and appropriate accommodation for seasonal workers, including those from third countries;

4.2. effective enforcement of labour legislation and regular inspections to prevent exploitation;

4.3. providing easily accessible information on the rights and obligations of seasonal workers in a language they understand;

4.4. introducing flexible and effective procedures for hiring seasonal workers from third countries, while respecting the principles of protecting the labour market and workers' rights;

4.5. ensuring access to basic services and to information concerning their stay;

4.6. the need for regulation and quality control of the activities of intermediary agencies, with a view to preventing abuse.

5. The ESC notes that undeclared work remains one of the most serious manifestations of the problems in seasonal employment. This calls for effective measures against instances of undeclared work, which causes harm not only to employment relations but also to social security relations.

6. The ESC considers it important to promote dialogue between employers, workers and state institutions with a view to finding sustainable solutions to the problems related to seasonal employment and ensuring favourable conditions for the development of sectors characterised by seasonality.

II. Own-initiative acts pursuant to Article 5(3) of the ESC Act

➢ **Resolution of the Economic and Social Council on the need to accelerate the process of Bulgaria's accession to the Eurozone, adopted at the Plenary Session on 24.02.2025**

1. The Economic and Social Council firmly supports Bulgaria's accession to the euro area and calls for it to be accelerated. In this connection, in December 2024 the ESC issued a Declaration on Bulgaria's accession to the euro area (BG), in which it called on the Bulgarian authorities "to prepare as soon as possible to implement the decision of the National Assembly and, once the price stability criterion has been met, within two weeks of its fulfilment, to request extraordinary convergence reports from the European Commission (EC) and the European Central Bank (ECB)"[3]. The ESC has been working systematically in support of this process since 2017, drawing up and adopting a number of acts[4].

2. As a responsible voice for the interests of the Bulgarian social partners and organised civil society, the ESC underlines the indisputable benefits of Bulgaria's accession to the euro area, including accelerated convergence of all economic indicators of each country in the period following accession, as well as benefits related to:

2.1. Higher real income growth for workers and the creation of conditions for improving the business environment. This creates the preconditions for increasing the economic activity of businesses, improving financial results and increasing the velocity of circulation of cash flows in the country. A good example in this respect are the three Baltic republics, Lithuania, Latvia and Estonia. Their economic structure and monetary systems are similar to Bulgaria's. They have seen wage growth of 80% to 120% over a period of 6-7 years following their accession to the euro area.

[3] https://esc.bg/wp-content/uploads/2025/02/iss_4_073_2024.pdf (BG)

[4] Opinion "Accelerating the preparation for the Republic of Bulgaria's accession to the euro area" – adopted 2017. Analysis "Impact of Bulgaria's accession to the euro area on economic development, inflation and incomes in the country" – adopted 2022. ESC Resolution on Bulgaria's membership of the euro area – adopted 2023. ESC Resolution on Bulgaria's accession to the euro area – adopted 2024. ESC Declaration on Bulgaria's accession to the euro area (BG) – adopted 2024.

2.2. Low long-term interest rates – euro area membership will lead to lower interest rates on loans to businesses and households. This will stimulate investment and consumption and, in turn, economic growth.

2.3. Elimination of transaction costs (euro–lev). Removing the costs of currency exchange between the lev and the euro will facilitate trade with the other euro area countries, as well as international payments within the euro area, making them faster and cheaper. The statistical data accumulated from countries that have already joined the single currency show that the savings at national level amount to 0.5% of the GDP of the country concerned. In the case of Bulgaria, with a projected GDP for the current year of over BGN 200 billion, this means a reduction in transaction costs at national level of more than BGN 1 billion per year.

2.4. Reduction of currency risk for businesses, which will allow companies to plan over a longer horizon and to invest with greater confidence.

2.5. An improved credit rating for Bulgaria, improved fiscal discipline and access to cheaper financing for the State. A higher credit rating will allow the State and the banking sector to raise resources on more favourable terms and will make it possible to issue government bonds in euro at lower interest rates. This will reduce the costs of servicing the public debt.

2.6. Compliance with fiscal discipline. Euro area membership creates the preconditions for more responsible management of public finances.

2.7. An improved investment rating and increased investment activity, and an improved business environment and competitiveness. Adoption of the euro is a mark of economic stability and maturity and a precondition for increased domestic and foreign direct investment.

2.8. Incentives for Bulgarian companies to increase their efficiency and innovativeness. This will lead to higher productivity and better positioning on international markets.

2.9. Improved access to funding for research and innovation and the development of high-tech sectors in Bulgaria. This will stimulate economic growth and increase the creation of quality jobs.

2.10. Reduction of the grey economy and improved tax collection. This will lead to an improved business environment and higher revenue for the State budget.

2.11. Easier access to financing for large energy projects, which will contribute to the diversification of energy sources and increased energy efficiency.

2.12. Bulgaria's participation in euro area decision-making and greater political influence in the EU. In this way, our country will have greater influence on the economic policy of the Union and, accordingly, the opportunity to defend national interests at a higher level. Euro area membership will strengthen Bulgaria's voice in the European institutions, enabling better protection of national interests in various policy areas.

2.13. Improved financial stability and a crisis prevention mechanism, owing to:

- Access to financial support from the European Stability Mechanism;
- Continuation of a stable monetary policy, but with greater flexibility;
- Access to liquidity from the European Central Bank in crisis situations;
- Better coordination of economic policies with the other euro area countries;
- Access to larger, liquid markets and a more stable banking system;
- A reduced risk of currency crises;
- Greater stability of financial markets.

2.14. Stabilisation of inflation and increased price transparency. Joining the euro area will help to maintain lower and stable price levels, so as to better protect citizens' purchasing power, and will create a more predictable environment for businesses. Within the euro area,

prices can easily be compared, which leads to stronger competition and potentially lower prices.

2.15. Strengthening of international trade and an increase in tourist flows. The use of a single currency – the euro – facilitates trade with other euro area countries, which encourages exports and economic growth, including by making travel easier for tourists from the euro area and removing exchange-rate differences when exchanging euro.

2.16. Improved quality of life and reduced income inequalities. A stable currency and economic growth can lead to higher living standards, including better opportunities in education, healthcare and social services.

2.17. Improved financial literacy among the population. This will lead to better management of personal finances and more informed investment decisions.

2.18. Facilitation of cross-border labour mobility, including as a result of easier comparison of wages and living costs between the different euro area countries. This will lead to a better match between labour demand and supply.

3. The ESC firmly condemns the provocations and the increasingly frequent acts of vandalism and manifestations of hatred, such as those that took place on 22.02.2025.

4. In a context of technological progress and the development of social networks as a main source of communication, disinformation is becoming a key element in the manipulation of public opinion. The ESC continues to follow with deep concern the organised disinformation activities that overstate the potentially adverse consequences of joining the euro area, which are running at full force on social networks. The ESC welcomes the fact that the information website of the Ministry of Finance – https://еврото.бг, whose function is to provide Bulgarian citizens with full information about the euro – is finally active.

5. The ESC urges the State institutions and information channels to counter the ongoing disinformation campaign firmly and in an organised manner, by not allowing Bulgarian society to be deliberately alarmed and misled about

non-existent threats to living standards as a result of the introduction of the euro. Particularly vulnerable in this respect are lower-income groups, who share the fears instilled in them by every possible means, including through leaflets handed out in the street. In this context, the ESC warns that only if businesses and society are well acquainted with the process can we ensure a smooth transition to the single European currency. In this connection, the ESC expects greater activity on the part of all institutions involved in the information campaign, in order to ensure:

- Full transparency about the process of joining the euro area and the related benefits and challenges;
- Detailed explanation of the practical aspects of introducing the euro, including changes in pricing, bills, wages and pensions;
- Effective communication about the steps to be taken and how citizens and businesses can prepare;
- Timely information on progress in meeting the membership criteria and on the final date for introducing the euro.

6. The ESC considers that people's fears of rising inflation as a result of the introduction of the euro are not justified. On the contrary, these fears are the target of an aggressive disinformation campaign, which is often not supported by the necessary evidence and arguments. According to the available studies, the effect on overall inflation is of the order of 0.1% to 0.3%. In the short term (up to six months), a more noticeable effect on inflation could arise only as a result of potential attempts at price speculation in individual goods or services for which demand is inelastic to price changes owing to the specific nature of the good or service concerned. The role of the control authorities in taking timely and adequate measures is of key importance.

7. In this connection, the ESC points out that the Council of the EU sets the rate at which the euro replaces the currency of the Member State, taking this decision on the basis of a proposal from the Commission and after consulting the European Central Bank. The decision is taken unanimously by the euro area Member States and the State introducing the euro. On 27.10.2022, the National Assembly of the Republic of Bulgaria adopted a "Decision in connection with the adoption of the euro in the Republic of Bulgaria"

(promulgated in the State Gazette, issue 87/2022). Point 3 of the Decision states that "The Republic of Bulgaria shall adopt the euro while maintaining the official exchange rate of the lev to the euro, equal to the central rate of BGN 1.95583 per euro." It is not possible for a European institution to impose an exchange rate on Bulgaria by force upon euro area membership.

8. The ESC notes that the euro area comprises 20 countries with 347 million inhabitants, and a further 175 million people live in countries and territories whose currencies are pegged to the euro. The euro is the second most widely used currency in the world.

9. Noting and appreciating that the purpose of the Maastricht criteria for euro area membership is to prevent a country with an unsustainable and unstable economy, which could jeopardise the stability of the European currency, from entering the monetary union, the ESC stresses that Bulgaria will not bring instability into the euro area. It recalls that Bulgaria is the country outside the euro area (apart from Sweden) that has most often consistently met the criteria. It takes note of the results of the hearing of the Minister of Finance before the Eurogroup on 17.02.2025 and of the fact that the projected deficit for the period 2025–2028 is within the range of 2.2–3.0% of GDP, on a downward trend. It calls on Bulgarian politicians to engage actively in negotiations with the relevant responsible structures at European level, with a view to accelerating the process of Bulgaria's admission to the euro area on the basis of the indicators achieved.

10. The ESC welcomes the final and official Eurostat data on the Harmonised Index of Consumer Prices (HICP) for January 2025, published on 24 February 2025, which show that Bulgaria meets the price stability criterion.

11. The ESC urges the Bulgarian Government to implement the decisions of the National Assembly and to request without delay an extraordinary convergence report from the European Central Bank (ECB) and the European Commission (EC) by the end of February 2025, and considers that the present moment is favourable for doing so. It recommends that the competent institutions prepare convincing arguments regarding the specific circumstances that might affect the calculation of the price stability criterion, with a view to achieving a positive assessment in the convergence report, and engage in negotiations to explain them.

12. The ESC stresses that Bulgaria has achieved a high degree of readiness to introduce the euro:

- All necessary legislative amendments have been made, ensuring full legal compliance with euro area requirements, including the "Act on the Introduction of the Euro in the Republic of Bulgaria" adopted in August 2024;
- The banking sector has invested considerable resources in systems and mechanisms for introducing the euro;
- The public administration is prepared for the transition to the single European currency;
- A large proportion of retail outlets in the country have prepared their software for the changeover to the single European currency, with the relevant payment documents being presented simultaneously in lev value and its equivalent in euro. This means that the change in this segment of public life is expected to be smooth and trouble-free.

13. The ESC is concerned that a delay in the process of introducing the euro could lead to increased scepticism and disinformation about the benefits for Bulgaria of euro area membership.

14. The ESC stresses that the decision as to whether a country of the European Union becomes part of the euro area is first and foremost a political one. Of course, meeting the formal and informal criteria is a necessary precondition for membership, but practice shows that it is not the only one. An example of this is the most recent country to join Europe's monetary union, namely Croatia, which became part of the euro area without meeting all the requirements. In this connection, the ESC is confident (especially bearing in mind that our country now has a regular government) that the mandatory step – Bulgaria submitting a request to the EC for an extraordinary convergence report – would be crowned with a positive result.

15. With this document, the ESC once again reaffirms its position that Bulgaria should become a full member of the euro area as of 01.01.2026. Any further delay "would be a negative scenario for economic development, both

for businesses in Bulgaria and for workers and civil society in our country"[5]. The benefits of our country's accession to the Community's single monetary system set out in this Resolution are the practical instruments for achieving real convergence of the incomes of Bulgarian citizens.

➢ **Opinion on "Challenges to Access and Quality of Healthcare in the Republic of Bulgaria", adopted at the Plenary Session on 24.02.2025.**

Conclusions and recommendations:

1. The aim of this opinion is to stimulate a serious public debate in Bulgaria by assessing, from the standpoint of civil society, the state, the problems and the directions for change of the existing healthcare system, in order to guarantee the rights and protect the interests of insured persons, patients and the population as a whole, and to guarantee and ensure transparency and public awareness of the state of the system, its functions and capabilities, and the ways of changing them that are capable of improving the system.

2. The ESC has always placed at the centre of its attention and activities the state and functions of the healthcare system in the Republic of Bulgaria and its capacity to ensure good health for the Bulgarian nation.

3. In its consistent and systematic vision, the ESC has always unreservedly embraced the European principle on health which, according to the European Health Strategy, is that "Health is the greatest wealth". In this context, health policy in the country should be fully in line with European principles and practice in the field of healthcare. It is not for nothing that the ESC has adopted several opinions in recent years relating to health policy and practice in the Republic of Bulgaria.

4. The ESC fully shares the view that health is linked to the country's economic growth. The health of the population is essential for the economic development and economic growth of the Republic of Bulgaria.

[5] https://esc.bg/wp-content/uploads/2025/02/iss_4_073_2024.pdf (BG)

Improving health status and increasing life expectancy and healthy life years lead to longer and more productive working lives.

5. The ESC considers that improving access to and the quality of healthcare and medical assistance in the country should be a primary factor in optimising the functions and efficiency of the healthcare system and, consequently, in improving the health of the nation.

6. The ESC observes with concern and notes the persistent negative trends that have already taken shape in public health:

- A health and demographic crisis and the poor health status of the population; access problems also include regional economic, social and geographical characteristics, such as GDP, wages and pensions in a given geographical area of the country, the level of poverty, the share of the working-age population, the unemployment rate, business and investment activity, geographical terrain, public transport, the density of the road network, the share of motorways and first-class roads, the share of persons with health insurance, etc.;
- A lack of political will and of an adequate legislative framework for changes in the healthcare system that would ensure equal and timely access, efficiency of the public funds invested in health and quality of the medical care provided for all citizens, regardless of social, financial and employment status;
- The strategic documents on healthcare reform adopted so far are characterised by a lack of interconnection, continuity and consistency, insufficient transparency and the absence of a consensus-based approach in their development, and by insufficient funding, and they are not subordinated to a single common concept that would bring together the efforts of the State, employers, those working in the sector and the population to achieve a new attitude towards people's health, including a real improvement in access to and the quality of healthcare;
- Investment in prophylaxis and the prevention of diseases and risk factors is neglected, since outpatient care lacks sufficient

mechanisms, sufficient medical specialists and motivation to carry out these activities;

- An open and highly liberalised healthcare system in which every newly emerging market operator uses public resources without proven need in relation to the real health needs of the population and without mechanisms for effective control over the health outcomes of the various healthcare establishments financed from public funds. This leads to enormous pressure, in most cases lobbying pressure, on the system of public healthcare financing;
- The population of the country is declining, the number of doctors, especially in primary outpatient medical care (PMC), is among the lowest of the European countries and the number of nurses is the lowest in the EU, while, on the other hand, the number of hospitals and hospitalisations is constantly increasing;
- There is still no adopted system for measuring quality and access – assessment is often based on quantitative indicators that do not reflect the real quality of care. There is no systematic method for measuring health outcomes and patient satisfaction. In the country there is good access for the population living in or close to the large urban agglomerations, where many healthcare establishments are concentrated, but this access is unequal for citizens living in remote and hard-to-reach areas, as well as for disadvantaged citizens.
- There is no effective control over access and quality – control mechanisms are laid down, but in practice they are not effectively applied.
- The National Health Map (NHM) does not adequately reflect the health needs of the population and at present does not fulfil its function as a strategic plan for the allocation of health resources – human, material and financial – in line with real health needs.

7. The ESC agrees that the financing system in the country is inefficient and considers that increasing the public funds provided for health, without linking this to improved access to and quality of the care provided, leads to negative results in the still unreformed healthcare system.

8. The ESC stresses that outpatient care has low efficiency and lacks the necessary capacity – professional and technical – as well as the motivation to solve those health problems of patients that can be solved at that level. In some regions there are no doctors and no pharmacies have been opened.

9. The ESC firmly believes that the escalation of hospitalisations in Bulgaria demonstrates a twofold negative trend. On the one hand, it is a consequence of the insufficient effectiveness of outpatient care, in which the basic statutory principle is not applied, namely that hospitalisation is for patients for whom the treatment objective has not been achieved in outpatient care. On the other hand, many of these patients are diagnosed and treated in a hospital setting, where health costs are many times higher than those for outpatient care, whereas their health problem could have been solved outside hospital.

10. The ESC notes that persons without health insurance use emergency medical care for examinations, consultations and tests that could be carried out by doctors in primary outpatient medical care (PMC) and specialised outpatient medical care (SMC). This burdens emergency care with activities that are not part of its mission and functions.

Various sources point to the lack of a mechanism for access to outpatient care for uninsured persons living in poverty or at risk of poverty as the main reason; further barriers are the high share of out-of-pocket payments; complex bureaucratic procedures for accessing the healthcare system through social support mechanisms, which are inaccessible to people with lower levels of literacy; geographical factors; and the lack or shortage of specialists in a given region.

11. The ESC considers that the positive effect of reducing VAT on medicines, and especially on those paid for from public funds – and, accordingly, on the funds with which the National Health Insurance Fund (NHIF) pays for medicinal products – has still not been recognised or accepted. Bulgaria ranks third among the EU Member States in terms of the rate of VAT on medicines. On the one hand, high VAT hampers access to medicinal products owing to the correspondingly high prices; on the other hand, huge amounts of health insurance funds, instead of being used for patients, are returned to the State budget through VAT.

Owing to the lower prices resulting from low VAT, Bulgarian citizens buy prescription medicines in neighbouring countries on a mass scale. The great majority of European countries apply a differentiated VAT rate to medicinal products and medical devices.

12. The ESC notes with alarm that patients often continue to make out-of-pocket payments of personal funds for medical services that are unjustified in amount and reason, even though they have health insurance. The State, for its part, neither controls nor manages this process.

13. The ESC views with concern the state of healthcare for pregnant women and mothers. Our country is consistently among the EU countries with the highest infant mortality and low coverage of obstetric and gynaecological care for uninsured women. The number of examinations under the publicly funded "Maternal Health Care" programme is falling.

14. The ESC notes that there are quality and access problems in the field of children's healthcare: a critical shortage of specialists in narrow paediatric specialties, as well as of nurses with a paediatric profile throughout the system, which in recent years has already led to the effective closure of key units or the discontinuation of activities.

In the paediatric units of public healthcare establishments, investment is systematically replaced by charitable initiatives ("Bulgarian Christmas", the "Svetulka" project, etc.). A large share of continuing treatment for children, as well as costly treatment of children abroad, is also systematically carried out with donated funds.

15. The ESC notes with alarm that there is no targeted healthcare policy for the elderly population and disadvantaged persons. There are not enough healthcare establishments such as hospices and long-term care beds in which elderly people can be cared for, nor is there public funding for such stays. This entails extremely high costs for these people and their families, which in many cases are beyond their means.

The ESC notes that the sector of long-term healthcare in Bulgaria for disadvantaged persons is underdeveloped, with insufficient public funding and an unclear allocation of responsibilities in this regard, an insufficient number of staff,

a lack of rules on employment relations in the context of specialised healthcare, etc.

The ESC points out that the provision of health services and long-term care for people with mental health problems is poorly organised, underfunded and ineffective.

16. The ESC points out that the successful policy of improving access to and the quality of healthcare for vulnerable groups through the appointment of health mediators in the community should be actively supported by the State.

17. The ESC notes with satisfaction that Bulgaria has made progress with regard to its health information system, aimed at improving access to health services and their coordination and continuity. In 2021, the National Health Information System (NHIS) was supplemented with electronic medical referrals for outpatient care and electronic medical prescriptions, and in 2022 with electronic medical referrals for hospitalisation and the digitisation of medical records. Remote consultations with general practitioners (GPs) are also possible in order to support the provision of routine services, although they are not covered by social health insurance.

At the same time, the ESC finds the pace of introduction and synchronisation of electronic processes in the system unsatisfactory, and the public reporting of data insufficiently reliable.

18. The ESC firmly takes the position that it is imperative to prepare a comprehensive analysis of the state and effectiveness of the healthcare system, with comprehensibly formulated, transparent and clear conclusions (including the reasons for the negative phenomena in the health reform and the shortcomings of the healthcare system). On the basis of the results of this analysis, work should begin on developing conceptual guidelines for implementing systematic and socially acceptable changes in access and quality, covering the entire healthcare system.

19. The ESC has always taken the position that the financing of the healthcare system, including the payment of healthcare establishments from public funds, should be linked to performance results, both for the system as a whole and for individual healthcare establishments.

20. The ESC calls on the State to take measures to increase the collection of health contributions from those working in the grey sector and to identify persons without the means to pay who are eligible for insurance by the State on social grounds, while at the same time an information system with full and clear information should be created.

21. The ESC considers that legislative changes should be made to guarantee public and adequate accountability for actual expenditure and results in the healthcare sector. This in turn will strengthen public scrutiny of the activities of healthcare establishments and the expenditure they incur.

22. The ESC calls for legislative provisions to be laid down with specific steps and mechanisms to overcome the problem of the shortage of general practitioners and specialists in most regions – easier conditions for setting up PMC and SMC practices and assistance from municipalities, especially those with a shortage of PMC and SMC; establishing legal possibilities for municipalities to finance certain elements of the running costs and/or activities of GPs; creating a legal possibility for hospital care establishments in hard-to-reach areas to deliver the outpatient care package, or part of it, with their own teams – e.g. screening; regulating and financing the activities of mobile teams, etc. Similarly, conditions should be created for dentists to work in these regions.

23. The ESC considers it essential to introduce a differentiated VAT rate for medicinal products and medical devices. Those paid for from public funds should be subject to a very low rate of VAT. This will certainly improve access to medicinal products and medical devices.

24. The ESC considers it necessary to improve physical access – by increasing the number of healthcare establishments in remote areas and the mechanisms for providing mobile and remote medical care and paying for it from public funds;

25. The ESC calls for legislative changes to be made that would allow local authorities in municipalities to allocate funds to attract medical specialists to the region – salaries, additional financial incentives, etc.

26. The ESC considers that the legislative provision should be amended to give assistant pharmacists wider opportunities to open pharmacies in remote and hard-to-reach areas, while at the same time laying down motivating conditions for the opening and operation of these pharmacies.

27. The ESC considers that legislative changes aimed at improving access and quality should be considered together with reforms of the healthcare financing system, the latter being the subject of proposals in another, separate ESC opinion.

28. The ESC calls for the establishment of a single system of integrated medical and social care, paid for from public funds, for the elderly and disadvantaged social groups.

29. The ESC considers that healthcare establishments in the country have high capacity and qualified staff to initiate and implement organisational measures, namely:

- Strengthening internal control in healthcare establishments on the basis of developed protocols, medical standards and rules of good medical practice – regular inspections and independent medical audits;
- Building a culture of safety – creating mechanisms for the internal analysis of adverse events and the public disclosure of quality data;
- Improving communication with patients by setting up patient information centres and conducting satisfaction surveys in healthcare establishments, with a mechanism for analysing and reporting on feedback;
- Optimising integrated social and health mechanisms for more effective access to healthcare for uninsured persons from vulnerable groups.

30. The ESC firmly believes that the National Health Map should become a genuine strategic plan for financing and for the allocation of material and human resources, and that it must be developed without lobbying compromises and without unjustified conclusion of contracts beyond the type and number of beds specified by region and for the country, in order to resolve regional disparities in health resources. The National Health Map needs to be updated and dynamically

monitored when the Ministry of Health issues authorisations for the establishment of healthcare establishments.

31. In the ESC's view, it is necessary to develop diagnostic and treatment algorithms (protocols), as well as rules of good medical practice, which would help to assess the package of medical and non-medical activities paid for to healthcare establishments and would also contribute to improving the quality of healthcare.

32. The ESC firmly states that it is opposed to lowering the requirements of the approved medical standards and the requirements of the National Framework Agreement (NFA). This undermines access to and the quality of the medical services offered, with unpredictable consequences for patients.

33. The ESC calls on the institutions responsible for access to and the quality of healthcare in the country to encourage improvements in the organisation of available resources – interaction between different healthcare establishments, including the creation of more funding mechanisms for the exchange of specialists and joint multidisciplinary teams; and the introduction of telemedicine technologies and their payment from public funds.

34. The ESC has always held that prophylaxis and prevention in outpatient care should be among the focal points of the healthcare system. Opportunities must continuously be sought to expand the package of prophylactic activities, while at the same time rethinking and widening the age limits, as well as providing adequate funding for prophylactic activities and screening for the diseases accounting for the highest morbidity and mortality – oncological, cardiovascular and neurological diseases.

35. The ESC considers it necessary to expand the scope for nurses, midwives, associated medical professionals and health assistants to carry out the professional activities they may perform on prescription or independently, by creating and defining in law motivating conditions for the opening of nursing practices or outpatient practices for the other professionals in remote and hard-to-reach areas, including by regulating the payment of these independent activities from public funds.

36. The need to develop the sector in response to growing demand calls for more trained professionals, social dialogue, motivating pay and improved working conditions. Public funding in this sector should be increased substantially.

37. The ESC considers that emergency care should be restructured with new and high-tech equipment, and that sufficiently strong incentives should be created for those working in it.

38. The ESC considers that concrete practical solutions and adequate public funding for real and effective integrated (medical and social) healthcare for people in need of such care are absolutely essential.

39. The ESC considers that hospital care establishments should be set up and registered not under the Commerce Act but under a special law.

40. The ESC calls on the State to invest in existing small hospitals and, where necessary, in new ones in remote and hard-to-reach regions, in order to ensure that the population in these regions has access to specialised and hospital care at the lowest level of competence.

41. The ESC considers it more than necessary to introduce reasonable statutory regulation on the opening of hospitals that declare an intention to use public funds to carry out their activities. The establishment of new hospitals, which falls within the State's regulatory responsibilities, should be based on the real health needs of the population and not result from private, self-serving investment interests.

42. The ESC shares the view that the National Framework Contract (NFC) could be treated as an "invitation to tender". A discussion should be encouraged with a view to reaching consensus, in order to remove the scope for lobbying and obstructive tactics and to reduce the possibility of political or professional-body pressure on the National Health Insurance Fund (NHIF). This could be achieved by having the negotiations organised by the Bulgarian Medical Association, while hospitals are given the opportunity to negotiate directly.

43. The ESC has always stated that clinical pathways, which were introduced temporarily as a payment mechanism, should be used only as diagnostic and treatment algorithms for quality and as contracting requirements, but not as a funding system. It

is high time to prepare and introduce a more effective and transparent system for funding hospital care.

44. The ESC recalls that in its previous opinion "The European Care Strategy – Guidelines for its Implementation in Bulgaria" of 2023 it already expressed its firm position that the healthcare system of the Republic of Bulgaria will need ever greater capacity for long-term care and for the development of health and integrated health and social services and networks of solidarity and care. Recommendations setting out guidelines for building a sustainable and well-developed long-term care system are given in the said ESC opinion.

The ESC considers it absolutely essential to increase the number of hospital beds for long-term care and to develop motivating requirements and working conditions for hospices.

45. The ESC considers it necessary to move, actively and purposefully, out of hospital care those activities included in clinical pathways that can be carried out in an outpatient setting while complying with medical standards and access and quality requirements.

46. The ESC firmly states that the focus of all efforts must be on the development and deployment of human resources in healthcare. A clear and targeted State policy is needed to increase the attractiveness of the medical professions, motivate medical professionals to work in Bulgaria and reduce migration, including the adoption of a National Strategy for Human Resources in the Bulgarian healthcare system.

47. The ESC considers that the system of incentives for medical professionals to work in hard-to-reach and remote regions should be improved.

48. The ESC considers that raising the qualifications of staff – supporting education, training and participation in international forums for representatives of all medical professions according to specified criteria – improves access to and the quality of the medical care provided.

49. The ESC considers that the list of medicinal products and medical devices that are paid for in full and relate to the diseases with the highest prevalence and social significance in the country should be gradually expanded.

50. The ESC insists on the introduction of a differentiated VAT rate for medicinal products and medical devices, with a much lower VAT rate for those paid for from public funds.

51. The ESC welcomes the establishment of the National Health Information System (NHIS) and the digitalisation of most processes in the healthcare system, considering that the introduction of modern digital technologies has the potential to improve access to and the quality of the healthcare provided.

52. The ESC calls on the State institutions to work actively towards accelerating digitalisation covering all sectors of the healthcare system, including the standardisation, verification and analysis of data for the purposes of epidemiology and public policy, and the expansion of the opportunities offered to medical professionals and patients to use electronic documents and the health record, telemedicine, etc.

53. The ESC considers that digitalisation in the healthcare system should cover all processes and the related documents, while at the same time a framework should be created for the deployment, application and funding of activities using artificial intelligence technologies.

AI has enormous potential to optimise the ways in which healthcare is delivered and to improve medical decisions, diagnosis and treatment of patients. With the help of AI it is possible to draw up medical care plans in the context of personalised medicine, adapted to the patient's genetic profile and state of health.

54. The ESC firmly believes that urgent reforms are needed in the field of mental health protection and the provision of health services. They should be initiated and implemented through international, national and cross-sectoral cooperation involving all stakeholders, with inclusive participation in the implementation of the measures and initiatives.

55. The ESC calls for the immediate start of the work of the National Mental Health Council, with a view to developing a "patient pathway", coordinating the activities of the various structures in the health and social systems and planning the need for new services, in order to improve access to and the quality of healthcare for people with mental health problems.

56. The ESC considers that the creation and funding of integrated community-based health and social services for mental health guarantee real access to, and quality of, psychiatric medical care and supporting therapeutic services.

57. The ESC strongly urges an immediate increase in health and social expenditure on mental health, considering it necessary to develop new funding systems for State psychiatric hospitals and mental health centres, as well as to ensure motivating pay and improve the working conditions of those employed in these healthcare establishments.

58. The ESC considers it imperative to develop a new medical standard for psychiatry and rules of good medical practice based on up-to-date medical evidence and international professional consensus.

➢ **Analysis "Developing Civic Competence in Children Through the System of School and Out-Of-School Education", adopted at the Plenary Session on 24.02.2025.**

Main conclusions and recommendations:

1. Civic competence has been identified as one of the key competences of the 21st century. Acquiring it is a prerequisite for every individual's successful participation in society, enabling them to contribute to its development. As such, it is also among the core objectives of Bulgarian education and is defined in strategic documents and framework guidelines of international and European organisations.

2. The ESC considers that the principal law in the field of education in Bulgaria (the Pre-School and School Education Act) provides the necessary basis for the full-fledged planning of school and out-of-school activities to develop civic competence in pupils. This is done in an integrated manner in the process of acquiring general education and through a stand-alone school subject, "Civic Education", for the 11th and 12th grades.

3. In addition to school, civic competence in pupils is also developed through out-of-school activities. Informal structures for developing civic competence are successfully complemented by the experience of a number of non-profit legal entities.

4. The ESC notes the role of the school environment, and in particular of the subject "Civic Education", in developing in pupils a civic competence grounded in accepted democratic values. Participation in the activities provided for in the curriculum, as well as opportunities for out-of-school forms of interaction with a variety of institutions, are formative in shaping a worldview and behaviour of one's own, independent of one's surroundings.

In order for civic competence to be developed effectively and to be confident that the education system gives every pupil equal access to acquiring it to a high standard, the ESC recommends the following measures to improve the state of civic education in the country:

5. Specifying civic competences in curricula: the ESC recommends that the Ministry of Education and Science define more clearly and specifically all the skills, attitudes and knowledge that make up civic competence, set specific expected outcomes and break them down by pupils' age groups, educational stages and curricula for general education subjects.

6. Updating the content of curricula: the ESC recommends that curricula place emphasis on developing practical key skills such as critical and analytical thinking, recognising fake news, social and emotional intelligence and empathy, and financial literacy. The civic education Olympiads, in which pupils present their views on issues of current concern to our society, are a good example of such an approach, which should be adopted as a practice in more learning activities and programmes.

7. Establishing clear indicators for the competences acquired in civic education and for the level of teacher preparation: the Ministry of Education and Science could adapt the experience of international surveys such as ICCS or PISA in order to regularly monitor and measure pupils' educational outcomes

in the field of civic competence, as well as teachers' level of preparation and skills for teaching these subjects. This will allow individual educational institutions to take data-based decisions to improve their work.

8. Collecting and maintaining data in the field of civic education: in order to make well-founded management decisions, the ESC recommends that the Ministry of Education and Science regularly collect and maintain data in the field of civic education, including the shares of pupils involved in activities developing civic competence, pupils' engagement in the various activities, results achieved, level of preparedness to teach civic competence, the share of trained teachers, etc.

9. Creating conditions for pupils' active participation in school life: the ESC considers that taking into account pupils' interests, needs and opinions should be a guiding principle in all school and out-of-school activities through which civic competence is developed. This would be supported by the effective involvement of pupils in various forms of school self-government and school committees (for example, for organising celebrations and rituals at school), the establishment of a clear dialogue with the school management, and forms of surveying and taking account of pupils' opinions.

10. Inclusion, without a grade, in the diploma: the ESC recommends that the secondary education diploma record, without a grade, pupils' participation in voluntary activities developing their civic competences, for example in the format used by programmes such as the International Baccalaureate.

11. Creating training programmes for teachers: the ESC recommends that the Ministry of Education and Science create more high-quality programmes to develop civic competences in teachers themselves. The promotion of training should be carried out in a way that stimulates effectiveness and the application of what has been learnt in the classroom, rather than being driven solely by the acquisition of qualification credits.

12. A teacher portfolio documenting activities related to civic education: the ESC proposes that teachers' activities related to the development of civic education be documented in the teacher portfolio as a recommended measure by the Regional Directorates of Education and school principals. In this way, expectations of teachers regarding the

integration of civic education into their lessons will be more clearly defined and their work can be monitored.

13. Cooperation: the ESC highlights the fact that cooperation with non-profit legal entities, parents, employers and other stakeholders is enshrined in the Pre-School and School Education Act. This cooperation should be maintained and built upon, demonstrating understanding and coordination between the various institutions. In particular, the involvement of State, municipal and other institutions in the planning and implementation of activities for the development of civic education aims to improve pupils' understanding of, and increase their trust in, these institutions.

14. Creating incentive mechanisms for cooperation between schools and non-profit legal entities: the ESC notes the significant contribution of programmes created and implemented by non-profit organisations to building civic competence in pupils in and outside school. Non-profit legal entities with many years of experience have a proven record of working with up-to-date global methodologies, training teachers and principals and attracting young volunteers who pass on knowledge to pupils in their own language. The ESC recommends that the Ministry of Education and Science create incentive mechanisms – promotion and funding programmes – to increase cooperation between schools and non-profit legal entities.

15. Mapping textbooks and teaching aids: the ESC considers that creating a register or web page pointing to new civic education materials meeting the necessary standards would be a useful aid for parents and teachers. This would support teachers in their self-learning, updating their knowledge and preparing activities that develop civic education. The information would also be useful for parents. Provided that the Ministry of Education and Science's "Digital Backpack" platform is updated, this register could be accommodated within it.

16. Identifying successful out-of-school initiatives: the ESC recommends that the Ministry of Education and Science identify, examine and evaluate existing out-of-school organisations, programmes and activities aimed at acquiring civic competences. Information about them, published in a uniform and comparable form on the Ministry's website, will mark the start of monitoring and measuring the scope and quality of the work of various non-profit legal

entities, private schools, municipal youth centres, etc. in developing civic education. Such mapping will make it possible to study successful examples in depth and to disseminate them.

17. Encouraging the involvement of parents in the civic education process: the family environment plays a key role in developing attitudes and skills in children. Taking this into account, as well as the trends and attitudes in our society towards fundamental democratic processes and principles, the ESC considers that schools and the Ministry of Education and Science should actively involve parents in various civic education initiatives and share materials with them.

➢ **Resolution of the Economic and Social Council on the Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe, adopted at the Plenary Session on 24.03.2025.**

1. The Economic and Social Council expresses concern at the continuing imbalance in the European electricity market and the persistently excessive prices in South-Eastern Europe. The ESC has worked consistently in support of industry and households in Bulgaria, analysing the processes of liberalisation and of system and market integration in which our country participates, and has drawn up and adopted a number of acts.[6] The ESC recalls that one of the objectives of building a single electricity market in Europe is to limit price differences. Despite efforts to achieve this objective, we still see significant price differences at regional level. This calls both for the development of pan-European mechanisms to compensate for substantial price deviations, with a view to preserving and promoting competitiveness, and for the introduction of additional national regulations to protect domestic consumers adequately.

2. As a responsible voice of the interests of the Bulgarian social partners and organised civil society, the ESC highlights the negative effects of

[6] Opinion on "Strategic documents in the field of energy – ensuring the balanced development of capacities and a just green transition"; Opinion on "Energy, water and transport poverty – specific features of their manifestation and measures to overcome them"; Opinion on "The EC legislative initiative 'Fit for 55' in the Bulgarian context"; Analysis on "The free electricity market: problems and challenges, measures to increase energy efficiency and support for households"; Analysis on "Problems and challenges facing the free electricity market. Causes of the energy crisis and measures to overcome it"; Resolution on the National Recovery and Resilience Plan (NRRP) and the Territorial Just Transition Plans (TJTPs).

the existence of price imbalances in the European electricity market and the prolonged periods of excessive prices in South-Eastern Europe, related to:

2.1 Rising inflation and production costs;

2.2 Deterioration of industrial competitiveness and of the business environment for the development of supply chains;

2.3 A negative impact on workers' incomes;

2.4 An increase in the number of households in a vulnerable situation.

3. The ESC supports the positions expressed at government level in 2024 by Bulgaria, Greece and Romania, including the specific steps proposed[7] for removing barriers to interconnection between the energy systems of the EU Member States and for creating a permanent intervention mechanism when extreme prices are recorded owing to limited cross-border capacity to South-Eastern Europe from the rest of the European energy market.

4. The ESC acknowledges the response of the EC in sending experts to discuss the issues raised in 2024, and supports some initiatives, such as those to reduce the effect of bottlenecks in cross-border corridors, measures to cap the windfall profits of electricity generators, or support for the creation of energy communities. At the same time, the ESC draws attention to the fact that most of the proposals made are long-term in nature and have no direct impact on the current situation, for example:

4.1. Measures requiring significant investment and a long implementation period, such as those for the introduction of smart electricity meters;

4.1 The introduction of a complex administrative system for substantiating the existence of a regional price crisis;

4.2 Proposals for developing new market products to overcome constraints at times of peak consumption/generation;

4.3 Support for removing obstacles to new electricity storage capacity;

4.4 Market integration of all countries in the region.

[7] https://www.me.government.bg/news/ministar-malinov-investiciite-v-mreji-i-vzaimna-svarzanost-sa-klyuchat-za-reshavane-naproblema-s-visokite-energiini-ceni-v-regiona-3521.html?p=eyJwYWdlIjoxMn0=

5 The ESC points out that the market disparities in South-Eastern Europe are not the only indicator of a failed electricity market. At the end of 2024, the energy ministers of Norway and Sweden criticised the market organisation in connection with the imbalances caused during periods of low output from wind farms in Germany, Denmark and the United Kingdom, calling for a review of the conditions for exchange over cross-border transmission lines and also emphatically stressing the need to protect their national consumers.[8]

6 The ESC takes note of the EC's efforts to restore the competitiveness of European industry through the measures proposed in the documents drawn up since December 2024, including the Clean Industrial Deal[9] and the Action Plan for Affordable Energy.[10] At the same time, the ESC draws attention to the fact that:

6.1 The effect of the proposed measures will materialise over a relatively long period – for example, the creation of the Industrial Decarbonisation Bank, which has a 10-year horizon for raising the announced funds, as well as the planned development of the European Grids Package of measures, which will subsequently address bottlenecks in interconnections.

6.2 The documents mainly address energy-intensive industries, which require urgent support for decarbonisation and electrification and for coping with high energy costs and complex regulations that harm their competitiveness, but they address only weakly the problems of all other industrial sectors.

7. The ESC stresses that the price disparities in South-Eastern Europe are persistent in nature: for 2024 as a whole the difference with Central Europe reached 30%, and in individual months exceeded 50%.[11] This situation continues to this day, and the war in Ukraine and the destruction of its energy infrastructure, as well as the limited interconnections on the borders of Hungary and

[8] https://www.france24.com/en/live-news/20241220-sweden-sees-red-over-germany-s-energy-policy
[9] https://commission.europa.eu/document/download/9db1c5c8-9e82-467b-ab6a-905feeb4b6b0_en
[10] https://energy.ec.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A52025DC0079&qid=1741780110418
[11] In July 2024, the average monthly electricity price in Bulgaria, Romania and Greece was more than 110% higher than in the Central European countries (e.g. Germany, Austria, Czechia). The differences are even more significant compared with the market sub-union of the Scandinavian countries.

Croatia, are preconditions for the imbalances to persist for a long time to come. The imbalances in electricity price levels are further amplified by the dependence on natural gas prices, as well as by weather conditions affecting generation from wind, solar and hydro power plants. These imbalances cannot be offset by technological solutions alone, such as batteries or peak demand management.

8. Industrial enterprises in our country are consistently introducing best practices in energy efficiency and taking advantage of opportunities to generate electricity from renewable energy sources for their own needs. These measures are not sufficient to counter the excessive prices, owing to the specific structure of our economy, with its high share of industrial sectors, and the need for accompanying investment in technological renewal. The ESC draws attention to the fact that our enterprises in the extractive, manufacturing and chemical industries are becoming increasingly important for ensuring Europe's resource independence and value chain, and that their competitiveness must not be allowed to deteriorate because of non-market price volatility of the electricity they use – moreover, such significant price shocks threaten both the existence of these enterprises and the related national and regional security.

9. The ESC stresses that it is particularly important to take into account the overall structure of GDP in Bulgaria, including the light industry and services sectors characteristic of the Bulgarian economy, on which excessive electricity prices also have a significant negative impact. Consequently, the conclusion is unequivocal that electricity price shocks directly affect enterprises and their employees and have a strong impact on employment in Bulgaria, and it is precisely this that substantiates the need to support non-household electricity consumers in overcoming the consequences of volatile energy markets.

10. The ESC continues to stress, with deep concern, that the high share of energy-vulnerable households in our country places an additional burden on the national economy's ability to compensate them amid continuing periods of excessive electricity prices. In this connection, the ESC points out that in 2023 the average share of households unable to keep their home adequately warm in

Europe was 10.6%, while in Bulgaria the same year this share was 20.7%. Owing to the financial inability to ensure standard conditions in their homes, households in our country have significantly lower final energy consumption per capita. Nevertheless, the share of expenditure on housing, energy and fuels in disposable income in our country remains high, at approximately 15%, while in the EU it was below 10% in 2022. These are the root causes why Bulgaria cannot fully implement electricity market reforms by moving households to the free market, with price imbalances on wholesale markets further complicating this process.

11. The ESC points out that household consumers in Bulgaria are already paying the price of the regional imbalance, as from 1 January 2025 they have been paying 8.44% higher electricity prices to cover increased supply costs. In such a situation there is a high risk of the burden of high prices being passed on to households not only directly through electricity prices but also indirectly through increases in the prices of consumer goods. This will further reduce the purchasing power of Bulgarians, which is already lower than the European average.

12. The ESC notes the efforts to improve grid connectivity, both within the country and with neighbouring markets, in line with the coordinated regional investment plan.[12] At the same time, front-loaded investment in new intermittent capacity will lead to increased transit flows of electricity through our transmission network, which will require additional, greater transmission capacity. Improving the grid connectivity of South-Eastern Europe depends on the physical implementation of a number of national and multinational projects, but their implementation is a lengthy process, extending up to 2040. In addition, these project initiatives involve high investment costs and lengthy approval procedures. The ESC concludes that the preconditions for price imbalances and periods of excessive electricity prices in the region will persist for a long time to come.

[12] https://tyndp.entsoe.eu/resources/regional-investment-plan-2022-continental-south-east

13. The ESC recommends that the State institutions, in cooperation with the social partners, formulate sustainable measures for implementation, taking into account the continuing imbalances and excessive prices, which should be reflected in communication with the EC and in discussions on the new industrial competitiveness plans. The ESC stresses that it is not enough to reduce reporting requirements; rather, the environmental protection regulations themselves need to be reviewed, as they contain a number of administrative and technical obstacles to the effective implementation of key investment initiatives in industry and energy.

14. The ESC proposes that:

14.1. The Bulgarian Government introduce a permanent mechanism for compensation for excessive prices and postpone plans to liberalise the electricity market for households.

14.2. The Bulgarian Government introduce national measures for a market in long-term products in which local electricity producers and local electricity consumers can participate effectively.

14.3. The Bulgarian Government insist on the right to apply national measures under derogation conditions throughout the period in which market disparities exist that restrict the exchange of electricity and lead to price differences of more than 10% compared with the leading economies in Europe.

14.4. The Bulgarian Government propose joint initiatives with the other Member States in South-Eastern Europe for the development and timely implementation of pan-European mechanisms to compensate for substantial price deviations in the electricity market.

➢ **Analysis "ILO Convention No 151 on Labour Relations in the Civil Service", adopted at the Plenary Session on 24.03.2025.**

Conclusions:

1. In its work, the ESC consistently and systematically discusses and adopts acts relating to socially significant issues of income policy, remuneration of labour and social security.

2. In recent years, through its acts, the ESC has expressed positions on substantive issues relating to the minimum wage, wage setting and collective bargaining, which are the subject of:

- the Directive on adequate minimum wages (DAMW);
- Directive (EU) 2023/970 of 10 May 2023 to strengthen the application of the principle of equal pay for equal work or work of equal value between men and women through pay transparency and enforcement mechanisms.[13]

3. Proceeding from the significance of the above Directives and the need for their effective transposition into our national legislation, the ESC adopted (06.2024) an analysis of International Labour Organization Convention No 154 concerning the promotion of collective bargaining.

3.1. Conventions No 154 and No 151, as well as other ILO conventions, are included in the Preamble to the DAMW as documents from which the EU draws grounds and directions for decisions, in view of the subject matter and provisions of the Directive.

3.2. In the Analysis of Directive 2023/970 on the principle of equal pay, both in its conclusions and in its explanatory part, its links with the DAMW are pointed out as regards collective bargaining and wages, which are a priority and a right of trade union organisations.[14]

4. On the basis of the acts adopted (those referred to in point 3), the ESC finds a substantive link between ILO Convention No 151 and ILO Convention No 154 concerning freedom of association and collective bargaining, including in the so-called “civil service”.

4.1. Proceeding from this finding, the ESC considers that the two conventions and the Directive on adequate minimum wages, as well as Directive 2023/970, contain coinciding obligations on EU Member States aimed at developing collective bargaining in terms of its coverage and the negotiation of minimum remuneration.

[13] Analysis of the current state of wages in Bulgaria – ESC conclusions and recommendations (10.2022); Opinion on the Plan under Article 4 of the Directive on adequate minimum wages (06.2023); Analysis of Directive (EU) 2023/970 of 10 May 2023 (03.2024).

[14] Analysis of Directive (EU) 2023/970, Conclusions. 1.4. The ESC notes that the two directives have certain points of intersection in the area of remuneration of labour (promotion of negotiations and collective bargaining for wage setting, regulated in Article 4 of the DAMW and Chapter II “Pay transparency” of Directive 2023/970). This circumstance, as well as the possibility of an interlinked legislative approach, calls for coordination in the processes of their transposition.

4.2. In the ESC opinion on the Plan under Article 4 of the Directive on adequate minimum wages and the ESC analysis of Directive (EU) 2023/970 on the principle of equal pay, negotiations and agreements between trade union organisations and employers, including the development of collective bargaining in Bulgaria, are identified as the main instrument for setting equal wages for those holding the same position and performing the same work.

5. The ESC noted in its Analysis of ILO Convention No 154 (Conclusions, point 2.1) that in June 2020 the nationally representative organisations of employers and trade unions, together with representatives of the State, signed a National Tripartite Agreement, in Section IV "Demography, education, labour market and labour migration", point 10 of which the State and the representative organisations of workers and employers committed themselves to:

a) ratification of ILO Convention No 154; and

b) launching a process for the ratification of Convention No 151 concerning the right to organise and procedures for determining conditions of employment in the public service.

5.1. In view of the above, the ESC takes the view that the conditions of Article 3(3) of the Labour Code[15] are met with a view to a legislative initiative for the adoption of an Act ratifying ILO Convention No 151, all the more so since the said National Agreement is not bipartite – between the organisations of employers and of workers – but tripartite, i.e. the executive is a party to it.

6. The ESC considers that ILO Convention No 151 should be ratified and that the process of transposing the two above-mentioned directives, for which tripartite working groups have been set up, should also cover the relevant provisions of the Convention linked to the two directives.

The ESC finds an additional basis for this in Article 2a of the Labour Code,[16] given the obligation of the State to promote comprehensively the organisations

[15] Article 3(3) (New – SG No 54 of 2015, in force as of 17.07.2015) On matters within the scope of paragraph 1, agreements may be concluded between the representative organisations of workers and of employers for the adoption of regulatory acts where: 1. the agreement is concluded at their request following an assessment by the State; 2. the State has proposed the conclusion of the agreement. (4) (New – SG No 54 of 2015, in force as of 17.07.2015) The agreements under paragraph 3 shall be implemented by the State.

[16] Bipartite cooperation.

of employers and of workers, including towards strengthening mutual trust and the development of collective bargaining.

- **Analysis "Work-Life Balance", adopted at the Plenary Session on 24.03.2025.**

Main conclusions and recommendations

1. Conclusions

1.1. Importance of balance: The ESC considers that the balance between professional and personal life is key to the physical and mental health, satisfaction and long-term productivity of working people.

1.2. Multipolar challenges: The analysis shows that the main obstacles include a culture of overwork, technological connectivity, economic insecurity, the unequal distribution of domestic responsibilities and deeply rooted gender-role stereotypes.

1.3. Negative impact of social stereotypes: Gender-role stereotypes in the workplace and at home contribute to discrimination, an unequal distribution of responsibilities and difficulties in achieving equality – both in the professional sphere and in the family.

1.4. Insufficiently adequate and flexible policies: There is a deficit of effective support for working parents and of sufficient infrastructure (e.g. nurseries), which makes it more difficult to reconcile work and personal commitments.

1.5. The ESC considers that a multidisciplinary approach is needed: Improving balance requires an integrated approach involving individual strategies, workplace initiatives, corporate social responsibility, assistance from non-governmental

Article 2a (New – SG No 107 of 2020) (1) The State shall promote social dialogue and bipartite cooperation between trade union organisations and employers' organisations on the matters specified in Article 2. (2) The representative organisations of workers and of employers at national level shall make efforts to develop social dialogue and cooperation that contribute to: 1. strengthening mutual trust; 2. mutual respect for interests; 3. consolidating collective bargaining; 4. raising the awareness of workers; 5. motivating workers to participate actively in the work process; 6. developing and consolidating corporate social responsibility.

organisations, the social partners and interventions by public authorities.

2. The ESC makes the following recommendations:

2.1. For state institutions and legislation

2.1.1. Implementation of legislation:

- Transposition and integration of European directives (e.g. the Pay Transparency Directive) into Bulgarian legislation.

2.1.2. Effectiveness of enforcement:

- Effective enforcement by the Labour Inspectorate in respect of non-compliance with the established rules, and assistance to employers in achieving compliance.

2.1.3. Investment in supporting infrastructure:

- Expanding access to nurseries, kindergartens and childcare services, with a view to easing the burden on working parents.
- Financial and regulatory incentives for the creation of flexible work models that meet the needs of families.

2.2. For employers and the corporate environment

2.2.1. Promoting flexible work models:

- In accordance with Article 107h of the Labour Code, wider application of hybrid forms of work (a mix of office-based and remote work) and adaptable work schedules that allow employees to manage their personal commitments more effectively.
- Promoting good practices for reducing the length of weekly working time, including those agreed through collective bargaining.

2.2.2. Creating a supportive and inclusive work culture:

- Providing training on diversity and awareness of unconscious bias in order to eliminate discriminatory practices and promote equality.

2.2.3. Promoting support for employee well-being:

- Investing in wellness programmes covering physical and mental health (e.g. sports activities, consultations with psychologists, stress management techniques).
- Developing mentoring programmes and professional development initiatives that support personal and career growth.

2.3. Non-governmental organisations and the social partners should support workers in promoting the following approaches:

2.3.1. Personal time management strategies:

- Using techniques such as the Eisenhower matrix, the Pomodoro method, the 80/20 principle, to-do lists and setting SMART goals in order to set priorities and improve efficiency.

2.3.2. Setting personal boundaries:

- Setting clear working hours when working remotely and asserting personal needs, including learning the skills of declining excessive commitments and delegating tasks.

2.3.3. Rethinking the personal definition of success:

- Viewing success not only in terms of the amount of work put in, but in terms of long-term satisfaction, personal development and the quality of family relationships.

2.3.4. Seeking social support:

- Building a network of supportive relationships – both in the family and in the professional environment – through participation in groups, mentoring programmes and counselling.

The ESC considers that these conclusions and recommendations can serve as a basis for developing more comprehensive strategies and policies that promote

the achievement of a healthy balance between professional and personal life, reducing stress and improving well-being at both individual and collective level.

➢ **Opinion on "A Vision for the Future of Agricultural Policy after 2027" (BG), adopted at the Plenary Session on 23.04.2025.**

Conclusions and recommendations:

1. The ESC confirms that the vision presented by the EC aims to ensure the long-term competitiveness and sustainability of the agricultural sector, as well as food security and quality food for European citizens. Nevertheless, the ESC stresses that the vision is a roadmap offering an ambitious catalogue of future work strands without setting specific parameters and, most importantly, without addressing the fundamental issue – the future CAP budget and the resources needed to finance this package of measures.

2. The ESC highlights the need for a separate and adequate budget for the Common Agricultural Policy after 2027, which takes inflation into account and ensures stability for farmers. The ESC does not accept the idea of merging the CAP and other funds into a single fund because of the risk of reduced funding and administrative complexity.

3. The ESC's position is to maintain the balance between direct payments (Pillar I) and investment in rural development (Pillar II), with a clear separation and independent budgets. In addition, the ESC expresses the need for the agricultural reserve to be adequately increased so that it can respond effectively to unforeseen shocks and crises in the sector.

4. The ESC encourages the simplification of the current system of conditionality and calls on the Commission to reorient the future CAP from conditions towards incentives. The ESC expresses the hope that the work on the Simplification Package for the current legislative framework in the field of agriculture will this time lead to a real and tangible reduction of the administrative burden on farmers.

5. The ESC considers that farmers in Europe should be partners in the green transition, but without compromising their economic viability and the food

security of the EU. This includes a flexible and realistic green transition that takes account of regional differences, financial support for investment in sustainable technologies and practices, and a full assessment of the impact on farms and the market before additional regulations are introduced.

6. The ESC underlines the need for measures to attract and retain skilled agricultural workers, while insisting on guaranteeing fair working conditions and the protection of their rights. The ESC encourages socially responsible practices and supports social dialogue and collective bargaining as key mechanisms for balancing the interests of workers and employers in the sector.

7. The ESC emphasises the need for reciprocity in trade relations, requiring imported products to meet the same standards as those applicable to European producers, in order to avoid unfair competition, particularly in trade deals such as the agreement with Mercosur. In this context, the need for stronger import controls and stricter checks to protect European production, as well as mandatory analyses of the effects on agriculture, is also underlined.

8. The ESC also notes that future EU enlargement and the accession of countries such as Ukraine, Moldova and others offer opportunities for growth, but also entail significant risks for existing farmers in Europe. In future enlargement, the ESC insists on a level playing field, the preservation and increase of the CAP budget, mechanisms for protection against market distortions, and investment in competitiveness and innovation.

9. The ESC considers it necessary to focus on developing specific support mechanisms that take into account the differences in the size and needs of small and medium-sized farms in different regions. At the same time, maintaining direct support under the CAP for all active farmers, regardless of their size and type of production, is of paramount importance for ensuring the stability of farmers' incomes.

10. The ESC welcomes the EC's generational renewal strategy, but also insists on stronger measures to support young farmers, including access to

land, financial instruments, simplified administrative procedures and social support in rural areas.

11. The ESC also welcomes the creation of a platform for "Women in Agriculture", but achieving real results requires targeted funding for women farmers, educational and entrepreneurship programmes, social support, administrative facilitation and greater representation in decision-making processes.

12. As regards national priorities, the ESC highlights the achievement of full external convergence of direct payments as an important condition for guaranteeing the competitiveness of Bulgarian farmers.

13. In the national context, the ESC opinion supports the retention of coupled support and transitional national aid targeted at vulnerable sectors in the country, such as livestock farming, fruit growing and vegetable growing.

14. The ESC encourages the development and strengthening of risk and crisis management tools, including affordable insurance schemes, while stressing that these measures must not replace direct payments.

15. With regard to the extremely sensitive issue of sustainable water resource management, the ESC considers that the EC's water resilience strategy could be of decisive importance for the modernisation of irrigation infrastructure and the effective management of water resources in Bulgaria.

16. In the context of the discontent of consumers and primary producers and processors in a growing number of European countries, including Bulgaria, the ESC supports the EC's initiatives to prevent sales below cost, to protect against unfair trading practices and to strengthen farmers' position in the supply chain overall.

17. The ESC underlines the importance of cooperation in order to improve the market position and resilience of farmers. The ESC also points to the serious delay in association processes in the national context and calls for additional incentives in this direction.

18. The ESC welcomes the creation of an Agricultural Land Observatory with the aim of increasing transparency in land transactions and regulating rental payments, which would help improve land relations in the national context.

➢ **Opinion on "Measuring Energy Poverty in Bulgaria and Europe. Policies to Deal with Energy Poverty in Bulgaria in the Context of Energy Market Liberalisation for Household Consumers", adopted at the Plenary Session on 28.05.2025.**

Conclusions and recommendations:

1. The ESC examined the state of energy poverty in Bulgaria, the EC's recommendations on tackling energy poverty, and the practices in various European Member States in this regard. The ESC notes that the government is lagging behind in introducing administrative mechanisms for assessing, identifying and monitoring energy-poor households in Bulgaria. These activities include the establishment of an Energy Poverty Observatory and an Information System for determining the status of households in energy poverty and of vulnerable customers for electricity supply.

2. The ESC finds that Directive (EU) 2024/1711 of the European Parliament and of the Council of 13 June 2024 amending Directives (EU) 2018/2001 and (EU) 2019/944 as regards improving the Union's electricity market design has been transposed into Bulgarian legislation through the Energy Act, and that some of the recommendations made by the ESC in previous opinions and analyses have already been integrated into Directive (EU) 2024/1711 and transposed into the Energy Act.

3. The ESC considers that the prior and cumulative conditions for adopting a final decision on the liberalisation of the electricity market for household consumers in Bulgaria are:

- achieving interconnection of the electricity system networks of South-Eastern Europe with those of Central and Northern Europe;
- changing the pricing model of the power exchange;
- adopting a national strategy for combating energy poverty.

Fulfilling these three conditions beforehand will lead to a relatively rapid and lasting fall in the wholesale price of electricity, which will reduce the State's expenditure on compensating businesses, and will create the necessary conditions for the liberalisation of the electricity market for household consumers in the foreseeable future.

The ESC considers that the liberalisation of the electricity market for household consumers will lead to higher electricity prices for these consumers if Bulgaria's electricity transmission network is not connected to the Common Energy Market of Central Europe and if the established method of wholesale price formation is not improved, under which the price of the producer with the most expensive electricity is taken as the price of electricity on the intraday market. In this connection, the ESC insists that a public discussion be initiated at the level of European energy exchanges, regulatory authorities and national transmission system operators from South-Eastern and Central Europe, at which the problems are to be resolved.

4. The ESC proposes that the Bulgarian State, as a full member of the EU, following consultations with Greece and Romania as interested parties and, where possible, jointly with them, should take the initiative before the European Commission to establish a European Energy Solidarity Fund, which would compensate for the differences between prices on the exchanges in South-Eastern Europe and those in Central Europe. The Fund should operate until the electricity transmission networks of the Balkans are connected to those of Central Europe with the necessary cross-border capacity.

5. The ESC notes that 1.8 million people – around 30% of Bulgaria's population – fall into the group of the energy poor under the definition currently in force, which states that: "'Household in a situation of energy poverty' means a household which, at current energy prices, has an average monthly disposable income per household member for the previous year lower than or equal to the official poverty line (OPL), after deduction of its expenditure on the standard energy consumption determined according to the energy performance of the dwelling, and which therefore has no access to basic energy services for adequate heating, cooling, lighting and

energy supply for household appliances."[17] In addition, around 365 000 have the status of vulnerable customers.

6. At European level, the share of people unable to keep their home adequately warm in 2023 was 10.6%, a significant increase compared with 2021, when it was 6.9%. In Bulgaria, the share of people unable to keep their home adequately warm was 20.7%, ranking the country first in the EU on this indicator.

7. The ESC clarifies that the actions it recommends for tackling energy poverty complement, rather than replace, the legislative changes already made, which it considers to be positive steps in the right direction. The ESC notes that, despite the regulatory provisions adopted, no action has yet been initiated to implement them in practice, such as the establishment of an Energy Poverty Observatory and a Consumer Protection Mechanism in the event of future liberalisation of the electricity market for household consumers.

8. The ESC underlines the need to develop a comprehensive national strategy for combating energy poverty with clearly defined protection measures as the first and most important step in tackling energy poverty. The strategy should identify the possible short-term and long-term sources of funding for compensation for households and for improving the energy efficiency of the housing stock.

9. The ESC is of the opinion that, should a decision be taken to liberalise the energy market for household consumers, the base value of electricity per 1 MWh should be determined by the Energy and Water Regulatory Commission (EWRC) instead of the Council of Ministers.

10. The ESC considers that an explicit prohibition on suppliers changing the price of electricity for the entire duration of fixed-price contracts should be added to the Energy Act.

11. The ESC proposes that the Energy Act introduce an obligation for suppliers to offer fixed-price contracts with two tiers – with a guaranteed lower tariff

[17] Supplementary Provisions of the Energy Act, § 1, point 13d.

for at least 8 hours a day, to be applied in the time slots with statistically the most favourable wholesale electricity prices.

12. The ESC recommends that, after liberalisation, the price of access to the medium/low-voltage network for household consumers be included as a component of the metered electricity consumed, as is currently the case.

13. The ESC recommends that national legislation lay down a prohibition on electricity producers participating in the management and/or ownership of electricity suppliers.

14. The ESC proposes that, as part of the national strategy for combating energy poverty, a mechanism be established by a regulatory act for determining the level of compensation for the different groups of household consumers in the conditions of a liberalised market. Compensation should be granted on a differentiated basis according to the income and type of beneficiaries.

15. In the ESC's view, the social partners and the State should discuss adding an inflation index to the formula for determining the official poverty line (OPL), in order to overcome the lagging of the income criterion in determining the status of households in a situation of energy poverty.

16. The ESC takes the position that compensation should be limited to electricity bills for households' main dwelling.

17. The ESC recommends considering the introduction of a social tariff with a discount on the electricity bill, with decreasing levels of compensation for vulnerable customers, energy-poor households and households with income up to the average wage per household member, with indicative discounts of 80%, 65% and 40%.

18. The ESC regards as a priority the task of preparing an adequate assessment of citizens' investment needs and capacities in energy efficiency and measures to reduce electricity costs.

19. The ESC recommends that investment measures to improve the energy efficiency of household dwellings allocate at least one third of their resources as a priority to energy-poor households, except where it is explicitly required that this share reach 100%.

20. The ESC is of the opinion that the State must develop adequate financial mechanisms for improving energy efficiency – tax relief, one-off subsidies for participation in building energy renovation programmes, and vouchers for the purchase of energy-efficient household appliances, heating systems and renewable energy technologies.

21. The ESC proposes the introduction of an additional, decentralised approach to the building energy renovation programmes currently in operation. The proposal provides for the development of a financial support scheme for households that independently undertake measures to improve the energy efficiency of their dwellings, with the energy poor being supported as a priority. Financial assistance should take the form of a subsidy – a one-off cash grant provided upon achievement of a measurable result: raising the energy class of the dwelling to a predetermined level. In order to limit opportunities for abuse and to focus resources on the most vulnerable building stock, subsidies could be allowed only for buildings classified in the lowest energy classes (D, E, F and G) and built before 2000. Implementing this approach requires the creation of a regulatory and legislative framework governing the application, certification and reporting processes. The introduction of such a mechanism would stimulate the engagement of a considerable proportion of households in the country and would contribute to a sustainable improvement in the energy efficiency of the housing stock.

22. The ESC recommends the introduction of one-off assistance to cover the own contribution required for co-financing under national programmes for the renovation of multi-family residential buildings, covering the costs of improving the energy efficiency of the main dwelling of energy-poor households, financed from the national budget and regulated in the Social Assistance Act.

23. The ESC considers that support for the renovation of the housing stock, like other types of assistance and compensation, must be allocated on a differentiated basis, focusing on the most vulnerable groups: households with incomes below the national average, energy-poor households and vulnerable customers.

24. The ESC takes note that a number of practices exist in the Member States of the European Union for monitoring energy poverty and assessing the

effectiveness of energy and climate policies, with a focus on the health and well-being of energy-poor households.

25. The ESC urges the government to take the necessary measures to establish an Energy Poverty Observatory and to put in place all the mechanisms needed for the effective implementation of energy and climate policies.

➢ **Opinion "Price Disparities in Electricity Markets in Europe – Challenges for Bulgarian Industry and Ways to Overcome Them" (BG), adopted at the Plenary Session on 28.05.2025.**

Conclusions and recommendations:

1. The Economic and Social Council expresses concern about the continuing imbalance in the European electricity market and the persistently excessive prices in South-Eastern Europe. The ESC has worked consistently in support of industry and households in Bulgaria, analysing the processes of liberalisation and system and market integration in which our country participates, and has drawn up and adopted a number of acts. The problems for the country's economy were already outlined in the ESC Resolution on the Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe of 24.03.2025, which is further developed in this Opinion. The ESC recalls that one of the objectives of building a single electricity market in Europe is to limit price differences. Despite efforts to achieve this objective, we still see significant price differences at regional level. This calls both for the development of pan-European mechanisms to compensate for substantial price deviations in order to preserve and promote competitiveness, and for the introduction of additional national regulations to adequately protect domestic consumers.

2. As a responsible voice of the interests of the Bulgarian social partners and organised civil society, the ESC underlines the negative effects of the existence of price imbalances in the European electricity market and of prolonged periods of excessive prices in South-Eastern Europe, related to:

2.1. An increase in inflation and production costs;

2.2. Deterioration of industrial competitiveness and of the business environment for the development of supply chains;

2.3. Increased risk of production being relocated to other countries within and outside the EU;

2.4. Negative impact on workers' incomes;

2.5. An increase in the number of households in energy poverty and of vulnerable customers.

3. The ESC takes note of the European Commission's efforts to restore the competitiveness of European industry through the measures proposed in the documents drawn up since December 2024, including the Clean Industrial Deal and the Action Plan for Affordable Energy. At the same time, the ESC points out that Europe's economy is developing in a challenging and increasingly competitive world, and that the pursuit of EU climate neutrality is not regarded by the other major economies as a mandatory policy, with the result that consumers in the EU pay significantly higher prices for energy resources.

4. Competitiveness in the EU depends on maintaining and developing European industry, but also on intensifying innovation, effective industrial leadership and the dissemination of technologies in business. Initiatives are needed to support the application of artificial intelligence, data centres and large-scale production units for new generations of products, as well as the development of robotics, new materials, and quantum, biotechnological and space technologies. All of these require reliable sources and a constant supply of electricity, which can be secured at regional level.

5. The ESC takes the position that the problems with excessively high electricity prices call for urgent action to restore economic competitiveness in Europe and to protect the purchasing power of households from energy inflation. Particularly affected is Bulgaria's energy-intensive industry, which exports between 70% and 100% of its output, mainly to European countries. In Bulgaria, the industrial sector is key to generating GDP and providing employment, with the extractive and manufacturing industries accounting for a dominant share. Industrial

enterprises in Bulgaria are intensively introducing best practices in energy efficiency and are taking advantage of the opportunities to generate electricity from renewable energy sources (RES) for their own needs, but these measures are not sufficient to counter the excessively high prices, owing to the specific structure of our economy, with its high share of energy-intensive sectors, and to the limited scope for accompanying investment in technological renewal and decarbonisation.

6. The ESC recommends that the Electricity System Operator (ESO EAD) and the Ministry of Energy prepare an in-depth analysis of the power outage that affected most of Spain and Portugal on 28.04.2025, and that lessons be drawn from it in planning the development of the national electricity system. Although the causes of the failure have yet to be analysed, it can be noted that the limited interconnection with neighbouring countries and the high share of RES in Spain's mix at the time contributed significantly to the outage. In this connection, it can already be emphasised at this stage that it is appropriate to preserve traditional generating capacity in Bulgaria and to assess the impact of new RES under emergency operating conditions, including by limiting the pace of their connection to the electricity system or by introducing an eligibility requirement of at least 30% "co-located"[18] storage capacity relative to the capacity of the plant.

7. The ESC recommends the accelerated development of nationally oriented measures to support energy-intensive enterprises, as well as mass consumers connected at low voltage who have been or are about to be moved to the free market. The separate measures for households in energy poverty and for vulnerable customers should be directed, as a priority, to European funds with a social focus.

8. The ESC stresses that it is particularly important to take into account the overall structure of GDP in Bulgaria, including the light industry and mechanical engineering sectors characteristic of the Bulgarian economy, on which excessively high electricity prices also have a significant negative impact. It must be

[18] The term refers to the construction of a battery complex near the relevant power plant, connected at the same point as the electricity producer.

borne in mind that in many economic activities Bulgarian enterprises are positioned in the middle of supply chains. For this reason, any increase in the price of electricity, and accordingly in production costs, sharply increases the risk of losing their place in the supply chain. The conclusion is therefore unequivocal: electricity price shocks directly affect enterprises and their employees and have a strong impact on employment in Bulgaria, and this is precisely what justifies the need to support non-household electricity consumers in overcoming the consequences of volatile energy markets.

9. The ESC points out that the specific measures proposed in the Action Plan for Affordable Energy have a long implementation horizon over the coming years or are of limited application. The ESC notes that, at present, the accelerated development of RES is rather one of the causes of the high price volatility on the market, while any positive effects may only materialise after a long period. At the same time, improving interconnection with the countries of Central Europe is of key importance for Bulgaria, but it is not of the same priority for the countries in those market zones.

10. The ESC stresses the need for targeted measures to support technological renewal in industry for decarbonisation and for achieving a high level of flexibility readiness, which supports the ability of the electricity system to adapt to the variability of production and consumption patterns and to grid availability across the relevant market time frames.

11. The ESC stresses that the instruments introduced in national policies to protect competitiveness and preserve the social balance in Bulgaria are currently having a positive effect. The pursuit of more ambitious targets for new RES capacity should be limited to some extent, and the construction of new RES should be combined with the installation of batteries, taking into account the capacity of the transmission network, while the decarbonisation of industry should take into account the possibilities for attracting financial resources for new investment, including from private sources and public funds.

12. The ESC insists on the development and implementation of short-term measures to limit the destructive impact of excessively high electricity prices, with a view to stabilising the market and providing relief to consumers. In this connection, it recommends the development of national mechanisms for offering long-term contracts with baseload electricity suppliers, as well as measures to encourage consumer flexibility.

13. The ESC recommends the implementation of long-term measures, including for the development of the national electricity system and interconnections, as well as for the implementation of projects to provide baseload, low-emission energy. Securing investment in industrial production and the development of local supply chains requires business confidence regarding the price levels of energy resources and the available grid capacity, for which it is advisable to improve the advance planning of infrastructure needs and to encourage proactive investment in grids.

14. The ESC draws attention to the increasingly limited scope for granting State aid and recommends the preparation of mechanisms for targeted aid and compensation that are widely applicable in the EU, but for specific groups of consumers, including households and energy-intensive industry.

15. The ESC stresses the need to step up programmes within the EU that enable Member States to introduce a mechanism to compensate for the indirect costs of carbon emissions for sectors and subsectors deemed to be exposed to a risk of carbon leakage for Phase IV of the EU Emissions Trading System.

16. The ESC supports the national vision for developing sustainable low-emission generating capacity with a constant production profile, such as the projects for new nuclear capacity at the Kozloduy NPP site and the new pumped-storage hydropower plants in the plans of NEK EAD.

➢ **Analysis "The Circular Economy and Its Impact on Occupational Safety and Health" (BG), adopted at the Plenary Session on 11.07.2025.**

Conclusions and recommendations:

1. The transition to a circular economy should be seen not only as a technological and environmental challenge but, above all, as a social transformation affecting a wide range of workers, communities and economic sectors. Analysing the relationship between the circular model and the labour market requires a comprehensive approach, addressing both the opportunities for creating sustainable, quality employment and the risks of new forms of insecurity, social exclusion and inequality.

The Economic and Social Council recommends that policies related to the introduction of the circular economy be flexible, coordinated and socially sensitive, with an emphasis on:

a) guaranteeing equal access to emerging employment opportunities;

b) support for retraining and lifelong learning;

c) involving trade unions, employers and civil society in the process of planning the change;

d) measures to protect vulnerable groups in the transition to new models of work.

2. Concrete action is needed to ensure that no one is left behind in the transformation process and that social justice is a guiding principle in building the circular economy in Bulgaria.

3. The ESC notes that, in the practical application of environmental impact assessment (EIA) and strategic environmental assessment (SEA) procedures, although the law provides for the impact on human health to be taken into account, the assessment of the risks to workers at the installations concerned often remains incomplete or insufficiently detailed. Attention is usually focused on the population in the surrounding area and on the environment, while occupational risks to staff are considered separately, under the occupational risk assessment procedures. This results in the lack of an integrated approach to assessing the impact of activities with high environmental and occupational risk.

4. Occupational safety and health (OSH) plays a key role in the implementation and sustainable development of the circular economy. The circular economy cannot be sustainable without guaranteeing the health and safety of workers. The transition to this

new economic model must include not only innovation and environmental sustainability, but also a profound commitment to human health and labour rights.

5. The ESC stresses that activities such as composting, sorting, recycling, waste incineration and water treatment create not only potential environmental risks but also serious hazards to the health of workers exposed to harmful factors on a daily basis. In this connection, the ESC recommends that the supervisory authorities and competent bodies monitor whether the risks to workers are actually taken into account in environmental assessments, especially for activities with a high combined environmental and occupational risk. A practice should also be introduced of assessing the impact on ecosystems and biodiversity, especially in sensitive or protected areas, when planning installations and activities related to the circular economy.

6. The ESC stresses that the national OSH system has a legal framework that is fully harmonised with the European directives. The social partners can ensure that the transition to a circular economy does not lead to social injustice or the marginalisation of workers, and collective labour agreements can be an effective instrument for integrating socially responsible and environmental policies.

7. The ESC is confident that the systems of civil and social dialogue in the EU and in the Republic of Bulgaria are ready to meet the OSH challenges in circular economy activities. Sustainable mechanisms for social dialogue between trade unions, employers' organisations and public institutions should be established and maintained. These mechanisms should be geared towards the development and outcomes of collective bargaining, the development of joint retraining and upskilling programmes, the inclusion of green and digital competences in training modules, and the establishment of just transitions for workers.

8. The ESC proposes that, in the preparation of the new national strategic documents, and in particular the OSH Programme after 2025, specific provisions relating to the circular economy be included.

9. The ESC considers that the circular economy is an opportunity to improve all aspects related to human rights. The ESC firmly supports respect for labour

rights in innovations related to the circular economy, including the requirement to ensure a safe working environment.

10. The ESC accepts that, in connection with technologies, materials, processes and other innovations related to the circular economy, a critical review of OSH regulations and of the system at national level is needed. For example: workplace risk assessment, the frequency of risk assessment and those taking part in it, the requirements for occupational health services, the frequency and type of medical examinations, the educational requirements for OSH bodies, and the training and working methods of the social dialogue bodies on OSH.

11. The ESC stresses the need to support the agro-ecological transition within the circular economy by promoting practices that reduce the use of synthetic pesticides and fertilisers, which belong to the linear economy. This will contribute both to the protection of ecosystems and to better protection of agricultural workers exposed to chemical risks. The ESC recommends that future policies and strategic documents related to the circular economy provide for support for safety training, the switch to biological solutions and the development of innovations that combine environmental sustainability and occupational safety.

12. The ESC emphasises the need to strengthen the capacity and increase the resources of the supervisory authorities in the fields of the environment and labour.

13. The ESC urges that the opportunities offered by the circular economy in the fields of the environment, economic progress and social development be harnessed through active measures and partnerships between stakeholders.

14. The ESC notes that legislation on the protection of the life and health of workers and of the environment is lagging behind (or has stalled) in relation to the capture, reuse or storage of carbon dioxide. The situation is similar with regard to the recycling of so-called RES units, the use and recycling of batteries, and hydrogen technologies, where the attitude towards them is a combination of mistrust, non-implementation and fear.

15. The ESC finds that, with regard to the rapidly developing circular economy, it is necessary to ensure that what is good for the environment is also good for workers. An anticipatory approach is possible, enabling all actors to create well-balanced rules and regulations aimed at improving the health and safety of workers and protecting the most vulnerable groups among them.

16. The ESC is convinced that the first step in ensuring OSH is understanding hazards and accurately assessing the risk they pose. Workplace hazards, both obvious and hidden, can exist in almost any working environment and can result from a wide range of causes.

17. The ESC endorses the conclusions on the circular economy and its impact on healthy and safe working conditions in the foresight study of the European Agency for Safety and Health at Work in Bilbao, which presents four scenarios up to 2040.

18. In 2019, the ESC adopted an opinion on "The Circular Economy – Characteristics and Opportunities for Development", which contains conclusions and recommendations that remain relevant.

➢ **Analysis "Public-Private Partnerships in the Educational and Social Sphere: Support, Benefits, Challenges and Recommendations" (BG), adopted at the Plenary Session on 11.07.2025.**

Main conclusions and recommendations

- The two functions inherent in social activities – the provision of social services and school education – are traditionally associated with the public sector, i.e. the State and/or the municipality, but it is also possible to attract private economic operators to carry out these activities in partnership with, and under the supervision and control of, the State and/or local authorities.
- Public-private partnerships bring significant benefits to the most vulnerable groups in society by improving access to quality public services. By mobilising private capital and expertise, PPPs lead to faster and more efficient implementation of initiatives that would otherwise be hampered by the limited resources of the public sector.

- PPPs offer an opportunity for more flexible and sustainable implementation of strategic projects by engaging the private sector while maintaining the focus on the public interest. This makes them not merely an alternative but a strategic instrument for achieving long-term goals in a complex socio-economic environment, including in view of demographic challenges. An interpretation of the Social Services Act and the Pre-school and School Education Act in the light of the Concessions Act shows that such a partnership within the framework of the latter Act is possible and even advisable, precisely for the purpose of achieving the public objectives set out in the sectoral laws.
- Legislative changes are recommended to secure the economic structure of the activity by striking an economic balance between the payment of a concession fee to the public grantor, on the one hand, and securing sources of revenue for private operators, on the other. It should also be borne in mind and noted that, in a public-private partnership or concession, despite the activity being entrusted to a private operator, responsibility should remain with the State, the municipality or the school principal as the entity that is in principle responsible for such activity.
- Overcoming the negative public image of PPPs in Bulgaria by introducing specific and rigorous mechanisms for monitoring, accountability and control at every stage of PPP implementation, including clear quality indicators, public access to information, civil society participation in oversight processes and independent audits of key projects.
- Strengthening the administrative capacity of local authorities is a key factor for the successful implementation of public-private partnerships and concessions. Systematic capacity-building through training, guidance, good practices and the creation of internal structures for managing such processes is essential for the effective use of this instrument in the interest of local development. Information campaigns and raising awareness both within the administration and among private entities would also help to increase the capacity to implement PPPs.

➢ **Resolution "European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient", adopted at the Plenary Session on 25.07.2025.**

- The Economic and Social Council (ESC) welcomes the initiative of the European Commission (EC) to devote special attention to the Black Sea region by proposing "The European Union's Strategic Approach to the Black Sea Region – Secure, Prosperous and Resilient" (the Strategic Approach). The new strategic document is timely, inasmuch as it reflects the changes in the geopolitical situation and lays the foundations for a comprehensive approach in a context of uncertainty, fragmentation and lack of clarity about the future of the Black Sea region. All the countries of the region bear the negative consequences of the military hostilities, yet to date there has been no targeted social and economic support for them. The ESC strongly urges the EC to proceed at an accelerated pace, on the basis of consultations with the Member States, the countries of the Black Sea region and all stakeholders, if possible by the end of 2025, to draw up a realistic and adequately funded Strategy for the development of the region (the Strategy), with a view to overcoming the problems and challenges that have accumulated there, and to set out a longer-term vision for cooperation and the role of the EU in the region. Such a strategy is not macro-regional in nature but is rather an instrument for international cooperation and security, and for this reason the principle of the "three noes" should not apply to it.
- The ESC notes that, in the field of security, the EU initiatives undertaken with regard to the Black Sea region have not produced the expected results, including the "Black Sea Synergy" adopted in 2007, which is not working because of the Georgian-Russian conflict and Russia's aggression against Ukraine. At present there is no strategy engaging all the countries of the region, nor a single document in the field of arms control. There is a Memorandum of Understanding in force between the Governments of the Republic of Bulgaria, Romania and the Republic of Türkiye on the establishment of a Mine Countermeasures Naval Group in the Black Sea (MCM Black Sea), in force since 2024. The ESC stresses that such a lack of strategic coordination is particularly worrying, as there is an

increasingly marked "militarisation" of the Black Sea region, which has an adverse impact on socio-economic development.

- The ESC believes that the achievement of lasting peace is a necessary and indispensable condition for sustainable economic development, and regrets that this is absent as an objective from the document. Without the normalisation of relations in the region, its prosperity cannot be guaranteed. The Strategic Approach should consider scenarios for achieving a lasting and sustainable peace as quickly as possible and, on that basis, consider plans for socio-economic cooperation.
- The ESC highlights the failure to date of regional actors to develop a common vision for regional cooperation in the Black Sea region. The Strategic Approach must include the policies needed to promote and support regional solutions to regional problems, together with the resources and instruments for implementing them. The application of international treaties and conventions needs to be restored. The Strategic Approach should emphasise the need to work with regional organisations, such as the OSCE, the Organization of the Black Sea Economic Cooperation, UN organisations and others, subject to a commitment on their part to respect the EU's principles and strategic guidelines.
- The ESC welcomes the proposals in the Strategic Approach concerning maritime security and safety. The ESC recommends that the EU support and expand good practices, such as the naval initiative between Bulgaria, Romania and Türkiye to clear the national maritime areas of the three countries of mines. The ESC expresses its firm support for the Bulgarian Government's proposal that the Multinational Maritime Coordination Centre for ensuring security in the Black Sea, provided for in the Strategic Approach, be located in Bulgaria.
- The ESC notes that previous initiatives in the field of economic cooperation in the Black Sea region have not produced the expected results. In the context of heightened insecurity in the region, the losses suffered by the economies are worsening social and economic prospects and preventing the region from realising its high economic potential. In addition to the direct losses from the war, regional delivery costs, disruptions in value chains and supply chains, problems

with logistics and port operations, and damage to infrastructure have all increased; new trade restrictions have emerged, and marine insurance and fuel prices have risen. The Strategic Approach must take greater account of the economic losses suffered by the countries of the region and propose measures to compensate for them, including for the negative consequences for tourism.

- The ESC calls for the development of a workable Strategy, with targeted funding under the Multiannual Financial Framework (MFF 2028–2034), on the basis of the proposed Strategic Approach. This should be preceded by a comprehensive review of the results and an assessment of the effect of the existing initiatives and of the degree of coordination, and the main obstacles to implementing the proposed approach should be identified. Some of these relate to insufficient institutional capacity and ambition to carry out large projects of regional importance. The ESC calls for the creation of a workable mechanism for consolidating and coordinating the numerous but underfunded existing schemes, programmes and initiatives for cooperation in the Black Sea, in order to avoid the current overlap. Implementation of the Strategic Approach should focus on sectors that are regional in nature, that require a high level of interaction between national, regional, local and non-State actors, and that are cross-border in character.
- The ESC notes the existence of serious challenges to trade in the region. The Strategic Approach must take into account both the overall losses to the economy of the Black Sea region resulting from Russia's aggression against Ukraine and the restructuring of foreign trade flows. The ESC proposes that the Strategic Approach take into account the widening of trade fragmentation in the region in the event that differentiated tariffs are introduced in trade with the United States for individual countries in the region, which will also have an impact on EU trade with the region. The Strategic Approach must examine and develop the opportunities for increasing trade within the region and with the EU.
- The ESC notes that the EU's initiatives to date to support connectivity in the region do not sufficiently support multinational links and projects. It calls for the expansion of initiatives to connect the countries within the region itself on an

intergovernmental basis, in their two main segments – communication across the sea and a motorway ring.

- The ESC proposes that the Strategic Approach address one of the greatest challenges in the region – migration. The Black Sea region is under pressure from migration, both external, from countries outside it, and internal, between individual countries in the region. These dynamics bring both positives and risks, including to stability, which has a direct impact on migration into the EU, as the Black Sea is increasingly used as a corridor for irregular migration.
- The ESC welcomes the ideas presented in the Strategic Approach for promoting research and innovation in the region as a continuation of existing opportunities. Given the high priority of critical raw materials for the EU, the ESC proposes that securing them be identified as one of the main priorities of the Strategic Approach, with clear commitments on the part of the EU to invest in and finance strategic projects. In this respect, certain features unique to the Black Sea should also be taken into account, for example, that it is the largest reservoir of hydrogen sulphide, which could be used in developing new energy sources.
- The Strategic Approach targets the creation of an independent energy market integrating renewable energy sources, and the stability and resilience of energy systems. The ESC supports these objectives and the integration of the energy market, but stresses that the expansion of cross-border energy trade in the region must take account of the effects on prices and on long-term investment in the sector. In this connection, the ESC strongly recalls the findings, conclusions and recommendations of its most recent acts on the subject[19] and stresses that it does not consider it appropriate for the Strategic Approach to focus solely on generating energy from renewable sources. Support for renewable energy projects must take account of the risks of unbalancing energy systems. Furthermore, it is inappropriate to set a target for reducing energy consumption in the region, given that the region lags significantly behind in per capita

[19] Opinion "Price Disparities in Electricity Markets in Europe – Challenges for Bulgarian Industry and Ways to Overcome Them" (BG); Resolution "on the Need for a Mechanism to Overcome Imbalances in the European Electricity Market and Persistently Excessive Prices in South-Eastern Europe"

energy consumption. The ESC proposes that energy poverty in the region also be taken into account, as reducing it requires joint efforts.

- The ESC notes that the idea of creating a green energy corridor is attractive, but at this stage of its formulation and discussion in the EU it is too early to set it as an EU requirement for the region[20].
- The ESC considers that the existing trade agreements with the countries of the region provide the relevant framework, but that in the new conditions of world trade they need to be thoroughly assessed and refined. The ESC welcomes the finding in the document that the full potential of these agreements should be used, and that obstacles should be identified and the necessary changes made to remove them, for the purposes of reducing trade imbalances and increasing mutual trade[21].
- The ESC welcomes the support for promoting the "blue economy", which capitalises on the Common Maritime Agenda for the Black Sea. However, the modest progress in this respect needs fresh impetus in order to achieve significant results. One of the obstacles to its implementation is the lack of maritime spatial plans of the individual countries in the region and of their synchronisation[22].
- The ESC acknowledges the EU's success in creating alternative routes for agricultural goods in the context of Russia's military aggression against Ukraine. The liberalisation of imports of agricultural goods from Ukraine helps the Ukrainian economy to function amid the military hostilities. The ESC recommends that the Strategic Approach take into account the declaration of the Ministers of Agriculture of Bulgaria, Hungary, Poland, Slovakia and Romania on the agricultural aspects of the amendment of the trade agreement between the EU and Ukraine.
- The ESC notes a slowdown in the growth of foreign direct investment in the region, including from the EU, and urges that the Strategic Approach address this problem

[20] Green energy corridor linking clean energy production in the Caucasian region and EU markets through – for example – submarine electricity.
[21] There are large imbalances between some countries – huge trade deficits. This is a very important issue – Bulgaria has a trade deficit of EUR 1.904 billion, and with Ukraine alone EUR 657 million.
[22] Bulgaria has adopted an MSP for 2021–2035.

and to identify measures to promote cross-border investment and EU investment in the region through a comprehensive Investment Plan (INVESTMENT COMPACT) for the Black Sea region, which should include sustainable and job-creating projects. The Strategic Approach focuses on public initiatives and the actions of the States, but without the participation of the private sector and the expansion of private investment in the initiatives and in international projects, the effect would be limited. The ESC considers the lack of multilateral investment projects to be one of the key problems and proposes that specific and ambitious (Flagship) projects be defined in the future Strategy. The ESC supports the involvement of the European Investment Bank (EIB) in financing the actions implementing the Strategic Approach and proposes that other international financial institutions also be involved in order to secure significant resources for achieving the objectives, such as the European Bank for Reconstruction and Development (EBRD), the Black Sea Trade and Development Bank (BSTDB) and others.

- The ESC welcomes the promotion of dialogue with partner countries but considers that the Strategic Approach should state that the dialogue will be extended both to business organisations in the region and to the many cross-border business and economic organisations and associations of local authorities. National institutions, together with employers', trade union and civil society organisations, should take part in the dialogue. In view of the experience gained in Black Sea cooperation, their participation will contribute to achieving the objectives of the Strategic Approach.
- The ESC welcomes flagship initiative 3: "Enhancing the preparedness of coastal communities and blue economy sectors" and the support for building resilience to climate change, adaptation and mitigation of the negative impacts of rising temperatures; protection of the region's water resources, prevention and control of pollution of the individual components of the environment (air, soil, water, biodiversity) and the transition to a circular economy. It should be noted that, despite the numerous initiatives in this area to date, no significant progress has been recorded. The ESC recommends that the Strategic Approach take clearer account of the specificities of the individual regions, the economic and social

effects of the measures undertaken, funding constraints and the diverse and fragmented technological challenges, and that it include a shared programme of climate change measures applicable by all countries in the region, with a view to the resilience of the Black Sea coast and the affected communities.

- The ESC draws attention to the over-regulation and high administrative burden in the overall regulatory framework applicable to the Black Sea region and calls for substantial efforts to reduce them. It insists that the need for national alignment and coordination in the application of European and international requirements also be discussed.[23]
- The ESC insists on flexible application, including derogations, of the relevant regulatory framework, taking into account that military hostilities are taking place in the region.
- The ESC points out that the countries of the Black Sea region are the target of incessant hybrid threats, including cyberattacks, disinformation, manipulation and foreign information interference, which create distrust and political instability within them. Support and cooperation between the affected States to counter foreign interference and disinformation campaigns need to be strengthened.
- The ESC considers that a major limitation of the Strategic Approach is that it is based entirely on existing financial instruments and available budgetary resources[24]. The experience of recent years shows that the financial framework is fragmented, insufficient and ineffective for achieving the ambitious objectives. The ESC recommends that an in-depth analysis be made of the effect of all these instruments, both current and past, and that, on that basis, more specific and clear commitments be formulated regarding their future use. It is very difficult for businesses, the social partners and civil society structures in the region to find their way through this network of different programmes and conditions. The ESC therefore insists on the simplification of conditions,

[23] For example: MARPOL 1973, UNCLOS 1982 at international level; Marine Strategy Framework Directive 2008/56/EC, Maritime spatial planning Directive 2014/89/EU, Water Framework Directive 2000/60/EC, European Green deal, Plastic strategy, Circular Economy at European level; Black Sea Convention, 1992; Strategic Research and Innovation Agenda, Black Sea Economic Cooperation, etc. at regional level.

[24] The Multiannual Financial Framework 2021 – 2027, through the Neighbourhood, Development and International Cooperation Instrument (NDICI), the Instrument for Pre Accession Assistance (IPA III), the Connecting Europe Facility, Horizon Europe, European Defence Fund (EDF) and EU Defence Innovation Scheme (EUDIS), the Cohesion policy (ERDF), the Digital Europe Programme, InvestEU, the LIFE programme, Erasmus+, the ReArm Europe Plan, the European Peace Facility, and the Ukraine Facility

the consolidation of instruments and a focus on those that deliver an immediate and visible effect.

- The ESC stresses that formulating and implementing a comprehensive and effectively functioning Black Sea Strategy that brings together security, the economy and environmental protection, within a complex and dynamic geopolitical environment, requires a clear financial framework, coherence and effective coordination at national and regional level, cooperation to synchronise policies and infrastructure, the establishment of working groups for the individual pillars, and the setting of a timeframe and an action plan. From this perspective, the ESC regards the Strategic Approach as a first step in a comprehensive process, which it calls to be implemented on an accelerated timescale and backed by resources and implementation capacity.
- The ESC insists that this Resolution be taken on board by the executive and legislative authorities when forming national positions for the negotiations on future EU legislation.

➢ **Opinion "The Scope and Quality of Education as Factors for Increasing Productivity and GDP" (BG), adopted at the Plenary Session on 25.07.2025.**

Conclusions and recommendations:

1. The Economic and Social Council considers that there is a clear, scientifically proven link between the quantitative and qualitative characteristics of education and the dynamics of gross domestic product and economic growth. The summary review of the scientific literature and the results of empirical research at international level unambiguously support this relationship. The impact of cognitive skills on individual and national economic outcomes has been confirmed by numerous sources and should be established as a fundamental element in the formulation of long-term strategic priorities in the field of education.

2. The quality of education, as measured by international comparative tests (PISA, TIMSS, ISAT), is a more reliable indicator of its impact on economic

growth than formal measures such as the number of years of schooling. Improving quality makes a more significant contribution to the growth of GDP per capita than a simple increase in enrolment.

3. The ESC stresses that cognitive skills affect not only individual incomes but also the level of inequality in income distribution. The distribution of skills in the economy gives rise to income differences and is a key factor for sustainable economic development. Cognitive skills alone do not, of course, determine the full distribution, as other factors, such as labour market institutions, taxes and the like, also play a significant role. However, the importance of skills is becoming ever more significant and more readily apparent.

4. The data indicate that not only basic skills but also high-level skills are needed for modern economies. The inadequate preparation of pupils in Bulgaria, revealed by international tests, limits the capacity of the workforce to adapt to a high-tech economy and calls into question the effectiveness of current education policy.

5. The distinction between "schooling" and the knowledge and skills actually acquired should be taken into account in education strategies. Education should not be reduced to classroom attendance or formal completion, but should be about achieving real competences

6. Nevertheless, the data show that even in countries with an insufficiently stable institutional environment, such as Bulgaria, improving skills has a positive economic effect. The ESC draws attention to the importance of economic institutions as a factor that can reinforce or limit the effect of education on economic growth.

7. International comparisons show that traditional indicators – such as enrolment and years of schooling – underestimate the scale of the skills shortage. This also applies to Bulgaria, where the gap between formal participation and actual outcomes is significant.

8. The ESC considers that reforms in the Bulgarian education system must meet the challenge of overcoming the shortage of basic skills. This requires

changes in the content of teaching, increased effectiveness of instruction and the involvement of a wide range of stakeholders. In this sense, the scale of the change needed shows clearly that catching up with the developed countries in economic terms will require certain structural changes in the education system.

9. Discussions on the role of the quality of education, and of teaching respectively, inevitably lead to the question of the extent to which the pursuit of certain policies in schools could have an impact. The ESC warns that simply increasing spending on education does not automatically lead to higher quality. What matters is the way in which resources are allocated, targeted support for pupils with deficits, and the application of interventions of proven effectiveness.

10. The Ministry of Education and Science needs to focus on improving the quality of teachers through investment in teaching capacity and incentives for high-performing teachers. The quality of teachers, or more precisely the quality of their teaching and of the way they motivate learners, is decisive for pupils' success.

11. The results of various scientific studies point to a synergy between the quality of education and the openness of the economy to international trade – countries that successfully combine the two achieve higher levels of growth. This sets Bulgaria the task of integrating education into its strategies for industrial and export development.

12. The ESC considers that the national objective should be not simply to increase levels of participation in education, but to ensure that all pupils acquire basic skills. According to scientific analyses, it is precisely this that yields the greatest economic benefits. Researchers find a significant positive effect on growth from improving cognitive skills, even in countries with a poor institutional environment.

13. In the context of the thesis that there is a link between the quality of education and economic outcomes such as per capita income, it turns out that mathematics tests of the ISAT[25] type measure an element of human capital that is

[25] International Student Achievement Tests – ISATs.

important for the growth of per capita income and that is not captured by the quantity of schooling in years alone.

14. Aggregate data from empirical studies show that smaller class sizes in schools have a proven beneficial effect on the quality of education and on the related economic outcomes. By contrast, the length of the school term does not affect the results of the tests used as empirical material in the studies.

15. The existence of a strong correlation between the quality of education and the reduction of infant mortality[26] has been reliably established, with the quantitative effect on infant mortality having the same absolute value as the effect on incomes. These effects should be taken into account when formulating cross-sectoral policies.

16. The experience gained from work on the Millennium Development Goals (MDGs) suggests that attending school without learning anything substantial and without acquiring knowledge and skills (competences) has no impact on economic outcomes. The new set of Sustainable Development Goals established in 2015 – 2016 again focuses on school completion, even though it recognises the importance of the quality of education. They do not set the achievement of quantified quality targets.

17. Projections based on the growth models presented show that the contribution to GDP from raising only 80% of the children currently enrolled in school to the level of basic (fundamental) skills is three times greater than the expected contribution from enrolling 100% of children in schools of current quality. The benefits of providing both universal access to school and basic (fundamental) skills for all pupils are estimated to be six times greater than those of providing access alone.

18. The ESC recommends that specific action be taken to monitor, measure and manage the quality of education, including through systems

[26] Infant mortality rate – IMR

for tracking individual progress, adaptive testing and lifelong learning policies.

19. The policies pursued in the field of education must be aimed at building up solid "knowledge capital", bearing in mind its direct link with the pace of economic growth. Education plays a decisive role in sustainable development, and efforts to improve it must be integrated with policies for social inclusion, equal opportunities and competitiveness.

20. The Economic and Social Council of the Republic of Bulgaria fully reaffirms the conclusions and recommendations set out in its opinion on inequalities in education and their impact on the labour market, adopted in 2024, and calls for consistency and for building on the approaches already adopted by including an emphasis on quality as a strategic priority.

➢ **Analysis "Carbon Border Adjustment Mechanism (CBAM): Challenges for the Bulgarian industry and ways to overcome them", adopted at the Plenary Session on 26.09.2025.**

Conclusions and recommendations:

In economic terms, Bulgaria is highly dependent on carbon-intensive production and is particularly vulnerable to the risk of such production being relocated to countries with weaker environmental standards (so-called "carbon leakage"), with the corresponding loss of jobs and decline in economic activity.

In this context, it is important for the Bulgarian State to monitor the application of CBAM closely and to build mechanisms for assessing its impact on the national economy with a view to informed feedback to the EC, and in this connection the ESC makes the following recommendations:

1. In view of the start of the operational phase of CBAM in 2026, the timely development of regulatory infrastructure and secondary national legislation is particularly important for the smooth and reliable functioning of the mechanism.

2. In Bulgaria there is currently no clear allocation of responsibilities for the application of CBAM. Under the Climate Change Mitigation Act, the competent authority is the

Executive Environment Agency (ExEA), but physical imports and border controls are carried out by the Customs Agency (CA). It is imperative that the responsibility of the CA be formally defined and delineated from that of the ExEA.

3. The transitional period (2023 – 2025) is intended for the training of all stakeholders – importers, producers and control authorities. Comprehensible and systematic training in Bulgarian is required, as well as support for importers falling within the scope of CBAM. At present, the CBAM Guidance for declarants exists only in English and runs to 106 pages. The "Frequently Asked Questions" section on the subject, to which the ExEA website refers, is also in English and is 57 pages long. National authorities must provide comprehensible information materials, webinars, checklists and technical assistance to help businesses adapt to the new requirements.

4. In preparation for the financial obligations under CBAM, explanatory materials and training on the management of the financial risks associated with the Mechanism are needed.

5. It is imperative that a process be adopted for verifying the accuracy of the content of declarations, including with regard to sampling and laboratory testing of imported goods falling within the scope of CBAM.

6. National customs authorities must adapt their procedures in order to integrate the CBAM requirements, possibly through changes to customs declarations. Customs officers must be trained in the CBAM provisions and procedures in order to process import declarations effectively.

7. Above all, it is necessary to ensure that the economic impact of the application of the Mechanism can be tracked, including its effect on the final market prices of the goods concerned, while guaranteeing effective and timely feedback at EU level.

➢ **Resolution of the ESC on the "Multiannual Financial Framework 2028 – 2034", adopted at the Plenary Session on 24.10.2025.**

1. The Economic and Social Council (ESC) welcomes the timely publication by the European Commission (EC) on 11.02.2025 of the Communication "The road to the next multiannual financial framework"[27], acknowledging its ambition to ensure an independent, secure and prosperous society and economy in the next decade. The ESC calls on the representatives of the legislative and executive authorities in Bulgaria and the competent bodies and institutions to engage in immediate, regular and comprehensive consultations with the social partners and civil society structures (CSS), in order to form balanced negotiating positions that reflect the interests of the State, and to bring together and mobilise the full potential for presenting and defending them at European level. In this connection, it shares its considerations and proposes guidelines to be taken into account in forming and defending the national negotiating position.

2. The ESC supports the stated objectives of: more flexibility within the budget, providing the capacity to act and react quickly when circumstances change unexpectedly or when new policy priorities need to be met; simpler, more effective and harmonised EU funding programmes, so that citizens and businesses can easily find and access funding opportunities; a budget tailored to local needs, with national and regional partnership plans for investment and reform, aimed at delivering results where it matters most and ensuring faster and more flexible support for greater economic, social and territorial cohesion in the EU; and a major boost to competitiveness, so that Europe can secure its supply chains, accelerate innovation and lead the global race for clean and smart technologies.

3. At the same time, the ESC stresses that achieving the above objectives would be possible only if the ambitious European projects and initiatives already launched were fully and successfully implemented, which, unfortunately, is not the case, and this gives rise to problems, difficulties and obstacles to the effective implementation in practice of the MFF proposal. For example:

[27] Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, The road to the next multiannual financial framework (COM(2025) 46 final).

- The Single European Market is not fully functioning and many obstacles and barriers still exist;
- The Capital Markets Union has still not been achieved and is not fulfilling its role of mobilising the savings of European citizens and private capital to promote investment;
- The recovery and resilience plans, although of key importance, are failing to achieve the expected results for all Member States; the financial corrections imposed for failure to implement in full the reforms committed to are often disproportionately severe, while at the same time there is no effective mechanism for appealing against them;
- The administrative capacity of both national administrations and beneficiaries remains uneven and fragmented across the EU;
- On the basis of current experience with centralised EU programmes (for example, "Horizon"), it can be concluded that they deepen rather than bridge the divide between Member States, with a real "glass ceiling" observed for projects from Member States of the last three waves of enlargement, which hinders or delays their development;
- Decision-making mechanisms that are designed to respond to important events and challenges, and to be fast and flexible, are essential, but it is even more important that these decisions be taken after due consultation with all Member States (and after appropriate consultation at national level with the social partners and stakeholders, including at national, regional and sectoral level).

4. The ESC considers that, on the basis of the arguments set out in the first three points of this Resolution, the EC proposal for the MFF 2028-2034[28] can be described as a good initial basis which must necessarily be built upon. In this connection, it is important to note that the EU is going through a historic period of significant challenges, which makes drafting such a document difficult, given the differing nature and scope of the needs of European citizens. The ESC is

[28] Communication from the Commission to the European Parliament, the European Council, the Council, the European Economic and Social Committee and the Committee of the Regions, A dynamic EU Budget for the priorities of the future – The Multiannual Financial Framework 2028–2034, COM(2025) 570 final 2 https://eur-lex.europa.eu/legal-content/BG/TXT/HTML/?uri=CELEX:52025DC0570

categorical that the EC proposal contains serious shortcomings which must be reconsidered in the course of the procedure for adopting the overall financial framework for the next seven-year period after 2027.

5. The ESC regretfully notes a number of problematic provisions in the proposal which place Bulgaria at a disadvantage, as they do not take into account risks to the economy, security and social progress of our country, such as:

- The failure to recognise the Black Sea as the border of a military conflict, which disregards Bulgaria's efforts to support Ukraine and its additional costs and lost benefits due to the war, now in its third year;
- The setting of a ceiling of 105% on national envelopes, which significantly reduces the share of the MFF budget for Bulgaria that it ought to receive on the basis of purely economic and social indicators, and thus acts as a factor deepening the disparities and divisions between Member States;
- In view of the seriousness of the situation in the Black Sea area, the ESC insists that the EC remove the allocation ceiling in the General key for Member States that have external borders (land and/or sea) and include the Black Sea in the definition of external borders in the Home affairs key[29], following the good example set with regard to the CAP[30];
- The N+1 rule for the achievement of MFF milestones at national level, which entails a risk of key actions not being implemented in times of crisis (including external, but also political, crises) and threatens Member States with unnecessary financial sanctions.

6. The ESC considers that one of the weaknesses of the MFF proposal for the period 2028-2034 is the insufficient funding for measures to address social challenges, including combating poverty and inequalities and stimulating

[29] https://eur-lex.europa.eu/resource.html?uri=cellar:0d5ded06-639d-11f0-bf4e-01aa75ed71a1.0001.02/DOC_2&format=PDF, p. 2, 3 General key, Home affairs key. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025SC0565.

[30] Chapter 5, art. 35, para 5. Brussels, 16.7.2025, COM(2025) 565 final, 2025/0240(COD), Proposal for a REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL establishing the European Fund for economic, social and territorial cohesion, agriculture and rural, fisheries and maritime, prosperity and security for the period 2028-2034 and amending Regulation (EU) 2023/955 and Regulation (EU, Euratom) 2024/2509 {SWD(2025) 565 final}. https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex:52025PC0565.

the learning process in close connection with promoting competitiveness, particularly in view of the significant risks from external factors of various kinds (including unfavourable geopolitical decisions). In this connection, a further review of the planned funding over time is also needed before the final adoption of the Union's financial framework for the next seven-year programming period.

7. The ESC expresses concern about the proposal for the European Social Fund (ESF+). First of all, the way in which the funds for this key area are to be constituted is unclear. The reasons for this are both the broad scope of the objectives and tasks to be covered under this heading of the Union's general budget (there are new priorities) and the concern that part of these financial flows may be redirected to other programmes. The "14% target"[31] is not equivalent to the current ESF+ (2021-2027), which jeopardises the achievement of the priorities set in this area. The ESC firmly insists that the current EC proposal be revised with a view to restoring the autonomy of the ESF+ as a separate programme, sufficiently well endowed with the necessary financial resources for education, training, skills development and the promotion of employment and social inclusion.

8. The ESC expresses full support for Bulgaria's framework position in the area of the "Common Agricultural Policy", according to which the current mechanism for the functioning of the system should be preserved, with the EC proposal being amended accordingly. It is of key importance that budgetary resources for the sector have a fixed value, ring-fenced under a specific heading within the MFF 2028-2034. Only in this way can security be guaranteed for agricultural producers in the EU, including those in Bulgaria. It is important to note that our country's position as set out coincides with the view of sixteen other members of the Union[32], whose joint position on the subject was sent to the EC on 30.09.2025. The ESC warns that the proposed severe cut of as much as 66% in the fisheries

[31] 14% of the resources available to the Nationalised Consumer Protection Programmes (NCPP) – around EUR 68 billion + (potentially) EUR 21 billion in the form of loans.

[32] Austria, Belgium, Spain, Italy, Latvia, Lithuania, Luxembourg, Poland, Portugal, Romania, Slovakia, Hungary, France, Croatia and Czechia, supported by Estonia.

budget compared with the current framework puts the functioning of the sector at enormous risk and calls for corrective measures.

9. The ESC supports channelling more resources into innovation and competitiveness, but does not support any possible restriction of funding under cohesion policy, which has proven its importance in overcoming disparities between European countries and regions.

10. The ESC points out that the envisaged requirement for greater co-financing from national budgets would create problems for Bulgaria, in view of the socio-economic situation in the country and the region and the geopolitical crises.

11. According to the latest NSI data for 2023, R&D intensity (measured as R&D expenditure as a percentage of gross domestic product) stands at 0.79%, which is far below the EU average. The "Business enterprise" sector is the largest of the four institutional sectors in which R&D is performed, with a share of 64.3% of total R&D expenditure in 2023, of which the largest share is accounted for by foreign sources of funds for R&D – 41.9%. It is followed by the "Government" sector, whose scientific institutes and organisations account for 28.7%. Expenditure on science by higher education institutions and university hospitals amounts to 6.5%, and by non-profit organisations to 0.5%. The ESC has been warning for years that the decline in R&D investment is a constraint on sustainable economic growth and insists that ambitious measures to address this challenge be provided for in the MFF.

12. The MFF proposal provides for strengthened control mechanisms, proposing incentives and recommendations regarding compliance with the principles of the rule of law and the Charter of Fundamental Rights. The plans of all Member States should satisfy the two horizontal conditions throughout their implementation. The dependence of investments vital for Europe's competitiveness, social prosperity, security and balanced and sustainable regional development on circumstances sometimes beyond the control of national authorities should continue to be assessed carefully and in line with the principles of transparency, proportionality and objectivity of data, and in partnership between the EC services and the MS. At the

same time, it is important that the application of the horizontal rule of law condition be underpinned by a sound assessment methodology and by objective, clear criteria applied equally to all MS. In this connection, a regular structured dialogue on an equal footing between the Commission and stakeholders would also be of key importance.

13. The EC proposal fails to take account of the fact that, in this case, the "one size fits all" principle is not applicable, as it introduces mandatory specific targets on social and affordable housing and tourism, including sustainability, for Member States with GDP below 90%. In the view of the ESC, a balance is needed between, on the one hand, predetermined targets based on the European regulation and, on the other, the necessary freedom for Member States to choose those which best correspond to their national, regional and local development priorities.

14. The ESC insists that the social partners and civil society structures be fully involved in the processes of programming, implementing and monitoring support under the MFF, instead of being merely addressees and observers of decisions and implementing actions.

15. The new budget will channel more funds towards high-tech projects, clean energy and digitalisation. Bulgaria, whose economy relies heavily on traditional industries and coal-fired power generation, will have to fit into the overall process.

16. Cohesion policy will be redesigned with a view to increasing effectiveness and reducing administrative barriers, but this may reduce funding for traditional infrastructure and regional development projects. For Bulgaria, this means that it will have to focus its efforts on more effective management of existing funds and on enhancing its capacity for strategic investment planning.

17. The introduction of centralised management of instruments such as the Common Agricultural Policy (CAP), the European Social Fund (ESF+), the European Competitiveness Fund (ECF) and others raises too many questions and concerns. If these do not find adequate answers and solutions, consideration should perhaps be given to hybrid models with stronger national involvement, instead of full centralisation.

18. The ESC also expresses its general concerns that:

- in the current dynamic environment of a growing need to digitalise all kinds of spheres of public life, there is a risk of neglecting a certain part of the regions (a situation which could also affect Bulgaria), owing to the lack of sufficient financial resources to support all of them simultaneously;
- failure by national governments to meet the conditions for receiving funding could turn those same regions into "hostages" of unmet targets, regardless of the actual situation in which these administrative territories have projects ready.

19. The EC proposal provides for the start, in the 2028-2034 period, of the process of repaying the principal of the funds borrowed by the EU for the Next Generation EU instrument for recovery and overcoming the consequences of the COVID-19 pandemic. At the same time, the question arises as to whether it is necessary, within the framework of the current MFF proposal, to consider including additional provisions to ensure that, already when planning the next seven-year period, the Union will have a ready solution should a possible future crisis develop, regardless of its origin and nature. In this regard, the ESC takes the position that this step could be taken either as a natural continuation of NGEU or as a new, stand-alone programme.

➢ **"Analysis of Policies and Opportunities for Horizontal Support for Human Services Professionals in the Educational and Social Sectors" (BG), adopted at the Plenary Session on 24.10.2025.**

Main conclusions and recommendations:

1. In recent years, the Bulgarian educational and social system has been faced with staff shortages and an ageing workforce. According to data from the National Statistical Institute for the 2024/2025 school year, 69.2 thousand teaching professionals work in schools, one third of whom are aged 55+, and the figures show an unbalanced age distribution – nearly 24 000 teachers are over 55, compared with only around 5 000 under 30 [1]. In the social sector, accurate

official data on the number and age of social workers and other professionals are lacking; the Ministry of Labour and Social Policy (MLSP) needs to publish regular statistics on staff in social services.

2. Professional workload and the risk of burnout accompany the professional activity of human services professionals. Teachers and social workers face high levels of stress caused by the administrative burden, constantly changing requirements and work with vulnerable groups. This leads to professional burnout and staff turnover, which threatens the sustainability of the educational and social system.

3. Differences in burnout among human services professionals are also observed. The workload and experiences of teachers and social workers differ. Teachers usually face large groups of children/pupils, strong public pressure for results and numerous administrative duties. Social workers work individually on cases involving severe human hardship and bear empathic stress, which increases the risk of compassion fatigue syndrome. Horizontal policies for burnout prevention must take account of these specificities.

4. Positive steps to address these challenges are being observed in Bulgaria – in the field of education, vertical policies related to regulatory changes (the Pre-school and School Education Act, Ordinance No 15), the implementation of the Strategic Framework 2021–2030, and national qualification and prevention programmes. Pilot project programmes for burnout prevention are also being implemented, and international projects such as NEST and YouWell demonstrate effective models for mentoring and the development of mental resilience. A large part of these policies are aimed at expanding horizontal support for human services professionals.

1.5. Unlike the traditional “vertical” model of control, horizontal forms of support (mentoring, supervision, coaching, professional communities, mutual assistance) enhance the well-being and motivation of human services professionals. Good national and international practices show that when support is structured and peer-oriented, it reduces stress and strengthens professional resilience.

6. The analysis has shown that horizontal support is not a one-off initiative but a comprehensive philosophy – a philosophy of collegiality, mutual respect and shared responsibility. Sustainable support for professionals in the social and educational spheres requires a systemic, multidisciplinary approach, including: mentoring and supervision, policies for cross-sectoral cooperation, the introduction of digital tools and support and training platforms, community involvement and the development of an appropriate culture. Its implementation requires continuous effort and improvement, but this is precisely the path towards building a modern educational and social system capable of developing and learning together with its professionals. Because, as experience shows, when we care for the people who care for others, society as a whole functions in a healthier and more successful way.

7. Today, horizontal support for professionals in the educational and social sectors is an essential condition for the sustainability and effectiveness of these public systems. This analysis has shown that the following understanding is becoming established internationally: "A supported teacher/social worker = better educational and social outcomes".

8. European policies, practices in the USA and the model of the Nordic countries offer an abundance of evidence in this direction – from lower levels of burnout where strong peer relationships exist, to higher pupil achievement in schools with a supportive climate for teachers. A particularly important factor in this process is the development of professional communities and networks (professional learning communities (PLCs), working groups, professional networks of specialists), which have been proven to increase the effectiveness of, and job satisfaction among, teachers and social workers.

9. In the EU, the widespread introduction of mentoring programmes improves the adaptation of new teachers and social workers and reduces staff turnover. In the USA, statutory mechanisms guarantee time for preparation, mentoring and access to psychosocial support programmes (EAP), which directly reduces the risk of burnout. Overall, psychosocial support and care for the well-being of human services professionals is a growing priority in many countries. Following COVID, many EU countries set up psychological support programmes for teachers and social

workers (e.g. hotlines, online resources) with a focus on well-being. Overall, global experience shows that investment in the mental health of professionals pays off many times over. The Nordic countries offer a sustainable model with an emphasis on the balance between professional development and personal well-being, collective work teams and high trust in professionals. This model could be studied and possibly adapted to the Bulgarian educational and social sphere.

10. Supervision and coaching, as supportive processes, are gaining in importance in horizontal support for human services professionals abroad. In the Nordic countries, group reflective supervision is practised in social services, while for teachers, peer discussion with the head teacher or a chief teacher acting as coach is used instead. In education (and to some extent in the social sphere), the concept of the instructional coach (an experienced teacher helping colleagues) has been popularised in recent years in the USA and some Western European countries. In this sense, a pilot introduction of "teacher coaching" is needed – for example, chief teachers acting as coaches for their colleagues in Bulgarian schools.

11. These regulatory changes and the horizontal policies adopted show that, for Bulgaria, the path towards providing such support is feasible. However, this path requires concerted efforts at all levels: institutions, communities and individual leaders. The steps taken in recent years – pay increases, the introduction of qualification incentives, mentoring projects and others – are promising, but they must be built upon and turned into lasting practice. Particularly pressing is the development and funding of national programmes for the prevention of professional burnout, by ministry (for example, "Prevention of Professional Burnout among Teachers" under the Ministry of Education and Science (MES) and a similar programme for social workers under the MLSP).

12. It is important to provide, to a greater extent, confidential consultations with psychologists or mentors (often delivered through Employee Assistance Programmes – EAP), which should be accessible to all teachers and social workers. A platform for sharing good practices, resources and case studies – similar to eTwinning for teachers – should be established at national level under the auspices of the MES and the MLSP.

13. An uneven distribution of support services is observed. In recent years, mentoring and psychological support programmes have been set up, but psychologists, mentors and counselling services are concentrated mainly in large cities. Small settlements lack specialists, which means that access to horizontal support is uneven. This disparity must be overcome through national policies on the part of the MES and the MLSP and the development of regional programmes (coordinated by the respective regional governors), and through the provision of incentives to attract specialists to peripheral areas.

14. There is a lack of supervision for teaching professionals and limited opportunities for career development in social services. In education, the regulatory framework provides for mentoring and career grades (teacher, senior teacher, chief teacher), but no similar system exists in social services. The Social Services Act requires supervision, but in practice it is often not carried out systematically and is sometimes reduced to an administrative check rather than professional support. Through regulatory changes on the part of the MES, supervision needs to be institutionalised as a regular, supportive practice in education, and the MLSP, the Social Assistance Agency (SAA) and the Agency for the Quality of Social Services (AQSS) need to develop a career framework for social workers modelled on the teaching sector.

15. Equally important is the cultivation of a new professional culture – one in which seeking help is a sign of a desire to develop rather than of weakness; in which teachers and social workers see themselves as lifelong learning communities rather than isolated units behind closed doors. This culture will allow horizontal forms of support – mentoring, coaching, supervision, teamwork – to unfold their full potential. With the assistance of the central government departments and the trade unions, there is a need to raise awareness and encourage participation in existing platforms and initiatives for professional exchange in the educational and social sectors.

16. An important point of emphasis in the discussion is that horizontal support does not eliminate the need for good management and systemic conditions, but rather complements them. In other words, a supportive culture must be promoted “from above” through

policies, but it is put into practice "from below" – in the day-to-day relationships between colleagues, in the trust between teacher and head teacher, between social worker and manager. In this sense, developing leadership skills among managers (school head teachers, managers of social services) is also critical – they must be able to create an environment of openness, encourage mutual assistance rather than competition among staff, identify the signs of burnout and respond in good time. In this sense, there needs to be a comprehensive policy on the part of the MES and the MLSP on developing the leadership qualities of school head teachers and managers of social services through the creation and delivery of specialised qualification programmes.

17. In analysing the importance of horizontal support, the role of the external environment and society should be noted. If society as a whole – parents, citizens, the media – shows respect for and understanding of the work of teachers and social workers, this in itself becomes a supportive factor. In countries such as Finland, teachers enjoy high prestige, which reduces external stress. In Bulgaria, these professions often do not receive the recognition they deserve, which contributes to emotional exhaustion (the feeling that "nobody values what I do"). Efforts should therefore also be directed outwards – through positive communication and success stories, the image of these professions should be enhanced, which is an indirect but powerful form of support.

18. It is recommended that the MES and the MLSP initiate legislative and regulatory changes aimed at institutionalising supervision as a supportive practice in the education system and social services, as well as at reducing the administrative burden through digitalisation, including the use of artificial intelligence (AI).

19. More investment on the part of the MES and the MLSP is also needed in psychosocial support for human services professionals (EAP, stress management training, development of professional resilience skills, mutual support groups).

20. The analysis clearly outlines the directions in which the Bulgarian public system can continue to develop. In many respects, the problems in Bulgaria coincide with those abroad (excessive workload, bureaucracy, stress), but the solutions are at different stages of implementation. While in a number of countries we already see established practices – backed by

resources and regulatory requirements – here they are still being experimented with or are only just being planned.

21. The MES and the MLSP need to encourage and support the creation of informal networks for mutual assistance and the exchange of experience between teachers and social workers at local and national level. It is also important to develop and introduce interprofessional training programmes that prepare future professionals for effective cooperation, and to create conditions for regular meetings and communication between teachers and social workers in schools for joint problem-solving and support for pupils.

22. The main line of action is to adapt and scale up proven mechanisms, to be introduced by the management of educational and social institutions: starting with mandatory mentoring and supervision, extending to the provision of time and space for peer interaction, and arriving at genuine care for well-being (including both a material and a psychological component). For the two institutional systems – educational and social (for the MES and the MLSP respectively) – this means: consistent legislative and strategic changes, expansion of support programmes and building a culture of collegiality and trust. Only in this way will it be guaranteed that the helping professions remain attractive, sustainable and effective in the service of society.

23. Of course, the challenges should not be underestimated. Limited resources, the accumulated inertia of the system and the sometimes low social status of these professions are real obstacles. However, the examples of other countries and the positive trends already gaining momentum in Bulgaria give grounds for optimism. Investment in supporting "the helpers" pays back many times over: it leads to staff retention, to higher-quality services for citizens (be it education or social care), to lower costs owing to staff turnover and sickness, and, last but not least, to a more humane and motivating working environment that attracts young talent.

➢ **Analysis "The Financing of the Bulgarian Healthcare System" (BG), adopted at the Plenary Session on 28.11.2025.**

Conclusions and recommendations:

1. Conclusions

1.1. The ESC notes that healthcare expenditure in Bulgaria amounts to around 7.5% of GDP, which places the country in the bottom third of European Union Member States (EU average – around 9.5–10%). This points to chronic underfunding of the system.

1.2. The ESC notes that expenditure on medicinal products in Bulgaria accounts for over 30% of the budget of the National Health Insurance Fund (NHIF), compared with an EU average of around 17–18%. This share is higher than that for outpatient care and almost equal to the share for hospital care, which points to an imbalance in the structure of health expenditure.

1.3. The ESC finds that patients' out-of-pocket payments (OOP) amount to around 37% of total health expenditure, compared with an EU average of around 15%. This creates a risk of restricted access to health services for socially vulnerable groups. More than one third of all health expenditure in Bulgaria is borne directly by patients, which is almost twice the EU average and undermines the principle of equal access.

1.4. The ESC has established that the share of funds for prophylaxis and prevention is around 2% of total health expenditure, which is one of the lowest levels in the EU. Low funding for prevention leads to higher costs for hospital treatment.

1.5. The ESC considers that the indebtedness of healthcare establishments has a systemic negative impact on financial stability and on the quality of the services provided.

1.6. The ESC notes that the shortage of medical staff in Bulgaria is deepening, particularly among nurses and specialists in certain fields. Low pay and a high workload do not encourage the attraction and retention of staff in the sector, which leads to emigration and imbalances in the regional coverage of health services and has a negative impact on the quality of medical services.

1.7. The ESC considers that the funding of healthcare establishments arising from the contracts between the Regional Health Insurance Funds (RHIFs) and providers of medical care creates administrative limits on the volume of services provided. As a result, there is a risk of restricting patients' access to medical care.

2. Recommendations

2.1. The ESC recommends increasing public expenditure on healthcare to a minimum of 8.5–9% of GDP by 2030, with a view to converging with average European levels.

2.2. The ESC recommends introducing mechanisms for more effective control of pharmaceutical expenditure, as well as expanding electronic tools for monitoring prescriptions and controlling financial flows and medical activities.

2.3. The ESC recommends gradually increasing funds for prophylaxis and prevention to a minimum of 5% of total health expenditure in the coming years, combined with a reallocation of resources from hospital to outpatient care.

2.4. The ESC recommends establishing and applying a mechanism for limiting and controlling the indebtedness of healthcare establishments, including automatic financial recovery measures when a certain threshold of liabilities is exceeded.

2.5. The ESC recommends reducing the share of direct payments by patients through a gradual expansion of the package of services covered by voluntary health insurance, as well as through more active state support for socially vulnerable groups.

2.6. The ESC recommends developing a coordinated mechanism for monitoring and forecasting staffing needs in healthcare, based on demographic trends, migration processes and data on graduating specialists, with a view to timely planning of admissions, specialisations and staff retention measures.

2.7. The ESC recommends introducing flexible funding mechanisms that allow the coverage of medical activity actually performed, while ensuring cost control. A certain share of revenue should be guaranteed to be channelled towards remuneration, in order to ensure fair compensation of medical staff, and mechanisms for incentivising and retaining staff should be put in place.

2.8. The ESC recommends establishing a mechanism for the real costing of medical activities for the purposes of strategic contracting and control of volumes/quality.

➢ **Analysis "Needs of Enterprises and Employees for Faster Adaptation to the Changes Related to the Transition to a Green and Circular Economy and Digitalisation" (BG), adopted at the Plenary Session on 28.11.2025.**

Summary and main conclusions:

The ESC considers that Bulgaria is at a critical point in the green and digital transition. On the one hand, the national framework is well defined through strategic documents and European programmes which provide for significant financial resources. On the other hand, there are structural deficits related to the high energy intensity of some industrial sectors – such as metallurgy and the chemical and cement industries – which, out of technological necessity, continue to have high energy consumption regardless of their level of efficiency. At the same time, in other sectors (e.g. mechanical engineering, the food and beverage industry, construction) there is considerable potential for optimising production processes and reducing energy costs.

Insufficient investment in R&D, the limited digital maturity of SMEs, regional disparities and low participation in lifelong learning further deepen these differences. Taken together, these factors create a risk of loss of competitiveness and of social tension unless targeted action is taken. At the same time, however, real opportunities stand out: growing exports of green technologies, the strong position of the ICT sector, the availability of financial mechanisms for a just transition and stable employment in a number of sectors.

The ESC takes the view that, as regards the labour market, the main risk is not large-scale unemployment but a structural mismatch between the competences in demand and those available, exacerbated by regional disparities and low adult participation in lifelong learning. These imbalances call for the introduction of urgent measures: flexible forms of training, validation of skills already acquired and targeting of retraining to specific sectors and locations. In the field of education and training, the lack of critical mass in STEM and "green" fields, the need to update curricula (ESG, circular economy, BIM/AI) and limited regional accessibility set out the priorities for rapid reform.

The ESC accepts that the green and digital transitions are opportunities for the economic transformation and social modernisation of Bulgaria:

(1) the technological transition is achievable with the available financial resources if it is managed on a portfolio basis and with territorial targeting;

(2) social sustainability depends on a predictable skills system and active social dialogue, which can turn change into a manageable transformation rather than a risk.

The ESC recognises the need for institutions, the social partners, business and the education system to act jointly in order to turn the available resources and policies into sustainable results. An essential element in successfully managing the transition is the active participation of employers' organisations and trade unions. They are the natural intermediaries between state policy and the real processes in enterprises and on the labour market.

Employers' structures can ensure better alignment between business needs and the supply of skills by contributing to the development of modern curricula, the introduction of dual training and the expansion of corporate forms of qualification.

Trade unions, for their part, play a key role in protecting employees, especially in vulnerable regions and sectors, by insisting on a just transition, access to retraining and social safeguards.

The ESC shares the understanding that, through joint social dialogue, employers and trade unions can accelerate the introduction of new skills and standards in enterprises, reduce social risks and contribute to a fairer distribution of the benefits of the transition. In this way, the social partners become a key guarantor that the transformation will be not only economically efficient but also socially sustainable.

Strategic recommendations:

1. Recommendations for institutions

The ESC accepts that better alignment is needed between national strategies and programmes, so that public investment has a clear sectoral and regional

impact. It is advisable to create a national skills map, to be updated annually and to support employment and education policies. Institutions should accelerate the implementation of the Just Transition Fund and the programmes under the National Recovery and Resilience Plan (NRRP), ensuring transparency and accountability in order to avoid delays and uneven distribution of resources.

The ESC makes specific recommendations with regard to:

- **National skills map and regional councils:** Institutionalisation of an annually updated National Skills Map that synchronises: (a) the demand for skills (by NACE code and region), (b) the capacity of VET/higher education institutions, (c) the available funding for training. A permanent "Skills and Employment Council" should be set up in each NUTS-2 region, responsible for quotas by specialty, micro-credentials (including modular micro-qualifications as part of formal programmes) and dual training places in line with actual demand.
- **Regulatory and fiscal incentives:** Tax relief and accelerated depreciation for investment in energy efficiency, renewable energy sources for own consumption, digitalisation and training; expansion of green criteria in public procurement; practical knowledge of CSRD/ESRS, digital product passports and BIM. Minimisation of the administrative burden through digital procedures and a "one-stop shop" for combined projects (investment + training).
- **Targeted support for enterprises in developing three-layer roadmaps for energy, digital and organisational transformation** through the provision of methodological guidance, diagnostic tools and access to funding for implementing the results.
- **Territorial targeting and just transition:** In regions with coal dependence/industrial transformation (Stara Zagora, Pernik, Kyustendil), integrated packages should be put in place: industrial zones to attract new businesses/investment, large-scale retraining programmes, temporary income and mobility support, and active employment services.
- **Data and monitoring:** A standardised set of indicators and measurement of progress with a regional breakdown. The NSI and the line ministries should

provide consistent series by NACE code, region and enterprise size; mandatory tracking of (1) the number of persons trained, technologies introduced, etc., and (2) outcomes (productivity, energy intensity, employment).

2. The ESC has recommendations concerning business and employees

Enterprises must be encouraged to integrate circular and digital models into their activities, and SMEs to use the available grant and financial instruments for modernisation. Knowledge of ESG standards is no longer an option but a necessity for access to markets and finance.

Employees should take advantage of existing retraining and training programmes by investing in the acquisition of green and digital skills. Active participation in dual forms of training and partnerships with employers will facilitate adaptation to the new requirements.

The ESC makes the following specific recommendations:

- Prioritisation of measures with a quick payback (energy management, ERP/CRM/PLM), knowledge of ESG management and the opportunities it offers, and traceability along the supply chain; participation in clusters for sharing technologies and staff.
- Active participation in upskilling/reskilling: short courses, micro-credentials, validation of experience; the establishment of in-house academies within enterprises should be encouraged, and these should offer individual development plans, with a focus on the 55+ age group, women in at-risk sectors and young people without qualifications. Mechanisms for internal mobility within the enterprise and for transfer to new positions when technologies are introduced should be used.

3. The ESC has recommendations for the education and training system

The education system must accelerate the updating of curricula with an emphasis on green technologies, the circular economy and advanced digital competences. A balance is needed between higher education and vocational training, encouraging the development of STEM profiles and short courses for acquiring specific skills. It is important to ensure regional accessibility of training,

especially in the regions affected by the transition, and to invest in the qualification of teachers and instructors.

Specific recommendations:

- Updating VET and higher education curricula with mandatory modules on energy efficiency, green technologies, the circular economy, ESG and advanced digital competences (data/AI, cybersecurity, BIM).
- Expansion of micro-credentials (5–15 ECTS) and of the validation of non-formally acquired skills.
- Establishment of regional centres for rapid retraining, coordinated with the needs of enterprises; systematic training programmes for teachers/instructors and modernisation of equipment.

The green and digital transitions require not a set of fragmented projects but the targeted management of change. Bulgaria has the resources, the institutional framework and the sectoral potential. For the results to be measurable and sustainable, greater management discipline, regional focus and social dialogue are needed, turning the risk of fragmentation into an advantage for specialisation. This analysis builds on and brings together the recommendations formulated in previous ESC opinions, highlighting the need for a single, coordinated policy for green, circular and digital transformation that combines economic efficiency, social justice and environmental sustainability.

➢ **Opinion "Measures for Managing Age Differences in the Workplace in the Context of the Competitiveness of Enterprises in Bulgaria" (BG), adopted at the Plenary Session on 28.11.2025.**

Conclusions and recommendations:

1. The ESC recognises the role of human potential[33] as a catalyst for change and a decisive factor in the competitiveness of any organisation. The contemporary

[33] In economics, human potential (from the Latin *potentia* – strength, power) is understood as the stock of knowledge, health, skills and experience used by the individual to generate income. It is not simply a set of

approach to successful management regards people not only as a critically important resource of the organisation, but also as a potential that creates added value. Unlocking this potential requires building an environment that is inclusive and tolerant of age diversity, one that sees differences not as a problem but as a unique opportunity to gain a competitive advantage.

2. The ESC expresses its support for the EU's vision of embracing diversity as a value and a resource that enriches society and contributes to its development. The ESC regards the principles of age diversity and inclusion as key priorities of EU policies aimed at upholding social justice, equal treatment, equal opportunities and fair treatment in the field of work.

3. The ESC notes that demographic processes inevitably affect the age structure of the labour force in Bulgaria. Ageing, stratification and imbalances in the age characteristics of the employed are increasingly evident. Today, representatives of five generations of the labour force meet in the workplace, with significant differences in their outlook, values, way of thinking, communication, behaviour and attitudes towards work, managers, new technologies and change in the organisation[34].

4. Full professional expression and the realisation of personal potential within an organisation are not possible without interaction and cooperation with others. In this context, the ESC finds particularly alarming the manifestations of prejudice and intolerant attitudes towards age[35] in some Bulgarian enterprises. A lack of understanding of age, bias and discriminatory attitudes are detrimental both to people and to organisations. They lead to numerous negative consequences, such as alienation,

knowledge and abilities that a person possesses. Human potential is a combination of a person's physical and spiritual powers which, when fostered in a suitable environment, can be used in the interest of the person, the organisation and society.

[34] See Annex 1. Generational characteristics and age differences in the workplace. Comparative table.

[35] In the theory and practice of organisational behaviour, this attitude is associated with the concept of "ageism" – a lack of understanding, bias and negative attitudes towards individuals and groups on the basis of their age. According to the World Health Organization's definition, ageism refers to the stereotypes (how we think), prejudice (how we feel) and discrimination (how we act) towards others or oneself on the basis of age.

demotivation, reduced productivity, low team effectiveness, a deteriorating working climate, conflicts and staff turnover.

5. The ESC considers that there is insufficient awareness and an inadequate perception and understanding of age diversity. Lack of tolerance, prejudice and misconceptions about the abilities of people of different ages are woven into public consciousness and affect relationships in the workplace. Broader and more competent engagement of institutions, the social partners and the media in this area is needed. We need to encourage a constructive public debate and to use appropriate messages and communication channels on the issues of age discrimination, active ageing, generational differences, and solidarity and cooperation between generations.

6. The ESC notes that Bulgarian labour legislation lacks definitions of violence and harassment in line with ILO Convention No 190/2019 (and the accompanying ILO Recommendation No 206), as well as legal provisions guaranteeing the prevention of such conduct in the exercise of the right to work, and mechanisms for protection against manifestations of intolerance and age discrimination in the workplace. This problem was raised in the ESC's 2022 Opinion on "Ratification of ILO Convention No 190/2019 concerning the Elimination of Violence and Harassment in the World of Work"[36]. The ESC once again urges the Council of Ministers and the National Assembly to take immediate action to ratify these ILO instruments in Bulgaria.

7. The ESC stresses that demographic change is one of the insufficiently understood yet critically important problems facing organisations today[37]. Age stratification, the ageing of the labour force, and the deepening social distance and differences between generations require a new approach and people-management

[36] ESC Opinion of 2022 on "Ratification of ILO Convention No 190/2019 concerning the Elimination of Violence and Harassment in the World of Work". https://esc.bg/wp-content/uploads/2025/08/esc_4_019_2022-opinion-on-ratification-of-convention-190.pdf

[37] Findings from research by the social partners in the field of labour force demographics, active ageing and age diversity management – https://activeageing.bia-bg.com/bg/project/partners/, https://zaedno.bia-bg.com/analyse/age_diversity, https://drive.google.com/file/d/1kwLqx1BCRgjSn4asDIHVzXv84NTdAj0T/view?usp=drive_link

solutions and policies that are adequate to present-day reality. Traditional management practices are no longer effective.

8. Underestimating generational differences in the workplace and failing to manage them can harm the effectiveness and productivity of organisations and is often a cause of demotivation, lack of commitment, conflicts and increased staff turnover.

9. The practice of favouring one generation over another, or of imposing the values of one generation over another, is discriminatory and does not lead to success. There is no universal criterion by which to judge the advantages and disadvantages of individual generations, because each of them has been shaped in a different environment and historical context.

10. Priorities such as respect for fundamental human rights, corporate social responsibility, equal treatment, solidarity and dignity at work are also becoming increasingly important for the organisational climate and sustainable development. They should be seen not only as ethical categories enshrined in corporate documents (mission, vision and values), but also as a mindset and as guiding principles of behaviour when dealing with challenges, problems and moral dilemmas in practice. Efforts to influence organisational culture should also cover aspects such as understanding of and tolerance towards age, and the promotion of cooperation, mutual assistance, solidarity and the transfer of knowledge and skills between generations in the workplace.

11. The ESC notes that the main barriers and problems in introducing age diversity policies and the management of generational differences relate to the underestimation of the problem, the complexity and length of the process, insufficient awareness, competence and experience in the field, and the need to overcome entrenched views and outdated management practices that are ill-suited to present-day conditions.

12. International experience[38] shows that organisations which place emphasis on diversity and the management of differences achieve higher profitability and economic efficiency, resolve crises, conflicts and problems more successfully, enjoy greater

[38] Study of international practices and experience in the intergenerational approach and the promotion of longer working lives and work ability, BIA, 2020, https://activeageing.bia-bg.com/bg/analyses/bestpractice/

customer trust, build high levels of engagement and are more successful in attracting and retaining capable people.

13. The ESC welcomes the efforts of institutions in Bulgaria to create a regulatory framework, policies, programmes and initiatives that follow European trends, principles and recommendations on the protection of social rights, equal treatment at work, tackling demographic challenges, youth employment, active ageing, lifelong learning and responsible business conduct. At the same time, the ESC stresses the need for them to be updated, adapted and effectively implemented in the context of current challenges. Further improvement is also needed with a view to creating policies with greater flexibility and adaptability to the needs of the individual generations of the labour force.

14. The ESC stresses the need to involve a wider range of researchers and scientific experts from various fields, and to encourage and provide targeted funding for applied national, sectoral and regional research on age diversity and the generational characteristics of the labour force. The results of such research can serve as a basis for more active engagement of institutions, informed decision-making and the adoption of effective measures and policies to overcome the consequences of adverse demographic processes.

➢ **Analysis "Assessment of the Impact of the Social Services Act (on the Quality of Services, the Career Development of Social Workers and Budgetary Efficiency)" (BG), adopted at the Plenary Session on 19.12.2025.**

Main conclusions and recommendations:

1. Conclusions:

1.1. In recent years, the social services system has undergone substantial transformations – from institutional to adapted to the specific needs of communities and the individual needs of people at risk; from centralised to decentralised, with the active participation of municipalities in the planning, organisation, management and control of the provision of social services; and from institutionalised, with a limited number of specialised institutions for particular categories

of users, to deinstitutionalised, with a broad network of community-based institutions for the various groups of people at risk.

1.2. The most important step in the development of social services, as a dynamically evolving element of social protection, was achieved with the adoption of the Social Services Act (SSA), in force since 01.07.2020, which provides the legal basis for the development of a modern system of social services consistent with European quality principles and meeting the growing and complex needs for adequate support to individuals, families, groups or communities in order to improve their quality of life.

1.3. The SSA and its implementing regulations place emphasis on improving the quality and effectiveness of services, while at the same time laying down requirements for staff engaged in the provision of services, the obligations of social service providers to ensure the professional and career development of their staff, the right to training and supervision, and the adoption of workload and pay standards.

1.4. At present, the transformation of the social services system in accordance with the SSA and the Ordinance on Quality Standards has not been completed, which limits the scope for an objective assessment of the impact of the Act in all three aspects analysed. Meeting the requirements of the Ordinance when reforming the organisation of social service provision that was in place until the adoption of the SSA – from an institution-oriented model of services for a specific group of users to one geared towards stand-alone services or a complex of services regulated by the Act – involves a far-reaching decomposition of the work of all existing structures established under the rules of the Social Assistance Act (SAA).

1.5. At the same time, the transformation of the activities of existing institutions is being carried out on the basis of decomposition coefficients determined centrally by the Social Assistance Agency, without taking into account their potential, facilities and staffing in line with the requirements of the quality standards. A centralised administrative approach is being applied in

this process, based on uniform decomposition coefficients, without taking into account the preferences of users and professionals, or the extent to which the presence of the specialists listed in the Ordinance can be ensured in the decomposition. Given the current shortage of social workers and other helping professionals, the transformation process may take longer, and the administrative approach may hinder, and fail to lead to, an improvement in the quality of the social services provided.

1.6. At present, five years after the adoption of the SSA, the Ministry of Labour and Social Policy (MLSP) has not adopted key implementing regulations – such as the Ordinance on the Financing of Social Services, a state-delegated activity which is directly relevant to the work of social service providers and has a serious impact on the quality of social services. No workload standards for social workers have been approved, which in turn has a direct effect on the quality of work of those employed in the social services system.

1.7. In the view of the ESC, the application of a systemic approach is important for improving the quality and effectiveness of social services. Social services cannot be effective if they are delivered in isolation. There is a lack of inter-institutional coordination between the MLSP, the Ministry of Education and Science (MES) and the Ministry of Health (MH) in the provision of social services, as well as in exploring opportunities to expand social work in the education system (school social work) and in the healthcare system (social workers in hospitals).

1.8. There are problems in the allocation of functions for the implementation of the SSA between the Social Assistance Agency and the Agency for Quality of Social Services (AQSS), and in ensuring effective coordination between them in the planning, management and control of social services and of the work of social service providers.

1.9. The SSA makes it possible to strengthen decentralisation through the participation of municipal and private social service providers and the development of public-private partnerships, thereby increasing competition among social service providers, which is a prerequisite for improving their quality. The decentralisation process defines substantial rights/responsibilities of local authorities – mayors and

municipal councils – in deciding on all important matters relating to the organisation, management and control of social services. It makes it possible to plan the development of social services that are more closely aligned with the real needs of the population, which is the aim of the National Map of Social Services in Bulgaria.

1.10. The delegation to local authorities of extensive powers involving the spending of substantial financial resources – the choice of the type and scope of services provided, of providers, and decisions on public-private partnerships – requires capacity and presupposes regular monitoring and control, as well as the provision of public information on the organisations that provide social services on the basis of public-private partnerships with municipalities. Otherwise, there is a risk of a large number of services and significant financial resources being concentrated in a limited number of private organisations, which may affect the quality of the services provided.

1.11. Since the adoption of the SSA in 2020, a clear transformation has been observed: the capacity of institutional services is gradually decreasing, while standards and costs per user are rising significantly. This leads to two opposite phenomena – on the one hand, an improvement in the quality of care for residents, and on the other, a chronic shortage in services such as homes for people with mental disorders and intellectual disabilities, where demand systematically exceeds capacity.

1.12. At the same time, other services, such as homes for people with physical disabilities and sensory impairments, show unused capacity and an accumulation of "empty places", resulting in significant costs for unused resources. This is a direct consequence of the new model of standards-based funding – the state guarantees funds for available capacity, irrespective of actual occupancy. Thus, although the SSA ensures sustainability and predictability, it also creates a risk of inefficiency if planning is not aligned with actual demand.

1.13. The impact of the new Act can also be seen in the coverage of services. For some services it is close to 100%, meaning that access is guaranteed, but for others it falls below 80%, and in some cases even below 70% – a clear signal of

restricted access and social tension. The ratio of actual expenditure to the standard further confirms this picture: for some services the values are normal, but for others there are extreme deviations above 1.2, indicating overspending and inefficient use of funds.

1.14. The development of social services has so far not been accompanied by a clear definition of the categories of staff working in this system that would reflect the diversity of their roles and functions in relation to the different categories of users and ensure their uniform use. The Social Services Act (SSA) uses the term "staff engaged in the provision of services", while the Ordinance on the Quality of Social Services sets out requirements regarding the number, involvement, qualifications, etc. of social services staff, but distinguishes between core specialists and, where necessary, recommended specialists, according to the specific needs of users, as well as staff engaged in serving users and support staff. The main categories of staff and specialists are defined in the Ordinance on Pay Standards for Staff Carrying Out Activities for the Provision of Social Services Financed from the State Budget. It defines: core specialists carrying out activities for the management and provision of social services; recommended specialists, depending on the type of social service; staff directly engaged in serving the users of the social service; and staff supporting the functioning of the social service.

1.15. There is no professional competence framework for those working in social services, nor a general and specific profile for the individual categories of staff. Those employed in social services carry out activities related to their functions of preventing and/or overcoming social exclusion, realising rights and improving quality of life. These activities depend on the profile of the social services, their functions, the profile of the users, and the main groups of activities (information and counselling; advocacy and mediation; community work; therapy and rehabilitation; skills training; support for acquiring work skills; day care; residential care; provision of shelter; personal assistance support).

1.16. The profession of social worker is not included in the List of Regulated Professions in Bulgaria, as is the practice in 24 EU countries. At the same time, the minimum education and qualification requirements for social workers who take part in or take decisions concerning their clients need to be raised, by introducing a minimum requirement of higher education or professional experience that is linked and relevant to the work to be performed. The requirement for holding the position of "social worker" is still secondary education, which does not correspond to the ever-increasing demands on the profession and has a direct impact on the quality of the social services provided.

1.17. In NSI statistics, social work (of which the provision of social services forms part) is a combined indicator with "Public health", which makes it impossible to analyse important indicators relating to the employment, educational attainment and pay levels of social workers providing social services.

1.18. No integrated information system has been established and put into operation within the MLSP to collect and consolidate all information on the activities of social service providers, the services they provide and the users of those services.

1.19. The ESC notes that the MLSP and the AQSS do not collect and do not hold information on important indicators characterising those employed in social services and their career development, such as the age structure, educational attainment and professional experience of those employed by social service providers – state, municipal and private – and pay levels. These limitations, stemming from missing or insufficient information, hamper the analysis and limit its comprehensiveness.

1.20. The planning of the number and qualifications of staff across the entire system of social institutions is not aligned with the adopted National Map of Social Services. Given the current shortage of staff – especially qualified social workers with higher education and the necessary professional training – it is impossible to meet the requirement for all services to bring their activities into

line with the minimum requirements laid down in the Ordinance on the Quality Standards of Social Services concerning the number and qualifications of the necessary staff, and to staff the social services provided for in the National Map. This calls into question the delivery of the planned services in a large number of municipalities in Bulgaria. According to AQSS data from the Annual Analysis for 2024, the number of staff employed is 31 560, of whom 12 639 are in stand-alone social services and 18 922 in services provided as a complex. Yet, in order to achieve the total capacity of the services planned in the National Map, in accordance with the coefficients laid down in the standards of the Ordinance on the Quality of Social Services, 78 767 specialists are needed within the system.

1.21. There is a mismatch between the staffing needs for the development of social services and the available specialists with higher education in social work. The dynamics of demand for specialists with higher education in the field of social services is driven by the continuous increase in the number of social service users. According to data from Council of Ministers decisions adopting standards for state-delegated activities, the maximum capacity of social services increased from 41 335 users in 2020 to 68 643 in 2024, i.e. the number of social service users grew by 60.2% over the period under review. At the same time, the number of staff increased by 35.65% over the period, from 23 266 to 31 560, a rate half that of the growth in service capacity.

1.22. There is no link between the planning of the workforce needs of social services and the state admission plan for students and learners in the main professional fields supplying staff for social services. Such a link has not been institutionalised, which is also related to the absence of workload standards. In practice, there is a downward trend in the number of students enrolled in the professional field of “Social Activities” at all educational and qualification degrees, as well as in the number of graduates, which, combined with low professional employment rates (around 52 per cent according to the Rating System), aggravates the existing shortage of specialists with higher education and is clearly at odds with the expected

significant growth in employment in this sector, in implementation of the transformation of social services laid down in the SSA and the development of the services planned in the National Map for the Development of Social Services in Bulgaria. The expected severe shortage of staff in the social services system for delivering the services planned in the National Map of Social Services calls for particular attention to their educational training – mainly in the professional field of "Social Activities".

1.23. At present, the workload standards and their link with a case management methodology, which are very important for those working in the social services system, have still not been adopted. The SSA provides for the development and adoption of workload standards for the provider's staff carrying out activities for the provision of social services, as well as for the staff of the Social Assistance Directorates and of municipalities who refer people to social services. These should set the maximum number of cases that one staff member may handle within one month, depending on the specific nature of the activity performed. To date, five years after the adoption of the Act, such standards have not been developed and approved.

1.24. Nor does the system have standards for training – both induction and further training. Training is currently an obligation of providers, but the absence of standards for the content of induction and further training, as well as of requirements for trainers and the institutions delivering such training, affects its effectiveness and the quality of the preparation of social services specialists. In many cases, the training does not take into account the specific nature of the services provided, in view of the characteristics and particularities of the users.

1.25. There are also still no standards for continuing professional training and support for those working in social services and related sectors, similar to those in place in the education system, which would ensure systematic and coherent continuing professional development. In addition, a Career Development System for those working in the sector should be developed.

1.26. Standards are also lacking with regard to the legal regulation of supervision. The Ordinance on the Quality of Social Services sets a specific number of hours for training and supervision in the various services, but their application depends largely on the capacity and resources of the provider or on the influence of external factors imposing certain persons or institutions as supervisors. It is therefore imperative to establish standards for conducting supervision, both individual and, in particular, group supervision, which take into account the specific nature of the various social services according to their users and genuinely reflect the needs of the specialists in the respective structures.

1.27. Financial indicators point to a clear trend – after 2020, the average annual growth rate of funding for social services accelerated and outpaced GDP growth. However, the significant increase in funding and in the maintenance standard across all institutional services is accompanied by varying levels of efficiency. Where capacity has remained stable (physical disabilities, sensory impairments, older people), funding leads to real improvements in quality and accessibility. In services with declining capacity (intellectual disabilities, mental disorders, dementia), the high standard does not compensate for the chronic shortage, which limits efficiency and creates social tension.

1.28. The capacity of services has increased significantly since 2021. Personal assistance support is the main driver of capacity growth – adding more than 20 000 places and changing the structure of the system.

1.29. Community-based services are becoming dominant – their share of the budget reaches 80% in 2025, indicating a strategic reorientation. Institutional services are losing relative weight – their share falls from 38% in 2018 to around 20% in 2025, even though their standards are increasing. The effect of the Social Services Act on the dynamics of unused capacity is two-sided: on the one hand, it acts as a catalyst for the expansion of the system and creates conditions for higher quality and accessibility; on the other, it leads to temporary inefficiency linked to a mismatch between capacity and actual use. This underlines the need for more accurate forecasting, territorial balancing and adaptive management of

resources, so as to ensure that investment leads not only to availability but also to real benefits for people.

1.30. With regard to improving the efficiency of social services, a key priority relates to capacity and access. Throughout the period, services operated at almost full occupancy, while the number of people on waiting lists rose steadily. This means that reform in this area must focus on a real expansion of places. Dynamic planning needs to be introduced, whereby capacity is adapted to actual demand rather than remaining fixed for years ahead. It is important to introduce mechanisms for the rapid establishment of new services in the municipalities/groups of municipalities with the greatest shortages, as well as for the reallocation of resources to overburdened services.

1.31. An important priority for improving the quality of social services must be linking funding to efficiency. As already noted, funding is increasing many times over, while capacity is hardly increasing at all. This leads to an improved maintenance standard for a limited number of users, but not to wider access. Funding therefore needs to be linked not only to the standard but also to the expansion of coverage. Every budget increase must be accompanied by specific targets for reducing the number of people waiting and increasing the number of places. This will ensure that funding has a real social impact.

The synthesis of the conclusions on the impact and effects of the Social Services Act indicates, in broad terms, that:

- The focus of activity is more on quality than on quantity – higher maintenance standards and staff qualifications, but fewer places. Services for vulnerable groups are expanding – early intervention, family support, personal assistance.
- Financial sustainability is ensured through a steady increase in funding and the predictability of standards. Resources are directed towards the most vulnerable groups, and the community-based model provides better access.
- The risk of inefficiency remains – owing to unused capacity in some services and chronic shortages in others, which is due to insufficiently accurate planning.

- The share of labour costs is high, yet wages remain low, which is also an indication of inefficient use of resources, insofar as the system objectively experiences difficulties in retaining and motivating staff.
- Increased funding does not always and everywhere lead to innovation or improved quality, but is used "to maintain the status quo": the number of innovations is relatively small and the number of new services is limited.
- There are regional imbalances and unequal access, which also contribute to suboptimal (inefficient) spending.

1.32. Financial expansion is taking place without guaranteed results: the accelerated growth of expenditure on social services since the entry into force of the Social Services Act (SSA) outpaces that of GDP and of total social expenditure. This is mainly due to the increase in cost standards rather than to an expansion of capacity, which creates a risk of services becoming more expensive without a corresponding improvement in coverage.

1.33. High cost of unoccupied places: cumulatively, over the period 2018–2025, the cost of unused capacity amounts to almost BGN 400 million, which is about 9% of total expenditure. This is a direct loss to the budget resulting from funding based on capacity rather than on actual occupancy.

1.34. For some services there is a persistent imbalance between supply and demand: there are, at the same time, services with a chronic shortage of capacity and, accordingly, waiting lists (homes for persons with mental disorders and dementia), and services with systemic unused capacity (for persons with physical disabilities). This is a sign of inefficient planning in relation to the profile of those in need and territorial needs.

1.35. Formal approach to quality assessment: the control activities of the Agency for the Quality of Social Services (AQSS) show that providers focus mainly on administrative compliance (documentation) rather than on actual work with service users. The rapid introduction of quality development programmes is often a formality.

1.36. Structural imbalance in service budgets: staff costs often reach up to 95% of the service budget. As a result, funds for maintenance, repairs and the development of the environment are insufficient.

1.37. Failure explained by medical reasons: a relatively high share of unfulfilled individual support plans are explained by a deterioration in health. This raises the question of whether social services are multidisciplinary in their orientation, or whether responsibility is simply being shifted onto the health status of the service user.

1.38. There is no specialised external financial audit: the National Audit Office and the Public Financial Inspection Agency (PFIA) do not carry out performance audits, nor audits aimed directly at social services.

1.39. There are problems with the profiling of service users: some users do not match the profile of the service they receive.

1.40. Unabsorbed resources in municipal budgets: there are high carry-over balances (over BGN 200 million in 2024), while municipalities complain of a lack of funds for other purposes. This is a sign of insufficient capacity to manage funds.

2. Recommendations:

2.1. The ESC considers that the Ministry of Labour and Social Policy (MLSP) should adopt, as soon as possible, the secondary legislation with a direct effect on quality, career development and budgetary efficiency: the Ordinance on the financing of social services as a state-delegated activity and the standards for the workload of social workers.

2.2. The functioning of the social service provision system, in strict compliance with the requirements of the Act and of the Ordinance on the quality of social services, calls for a shift from a uniform centralised approach towards a more adequate consideration of the material and staffing resources and the potential of each operating structure, encouraging more active participation and reflection of the position of institutions and service users when specific decisions are taken on the transformation of their activities.

2.3. The ESC recommends that the MLSP carry out a comprehensive analysis of the operation of the Ordinance on the quality of social services and of the application of the standards, formulating proposals for changes in the organisation and management of the

service; for improving the qualifications and professional development of staff; and for increasing the effectiveness of the service in view of the results achieved for the persons using it, in response to their needs.

2.4. The MLSP should initiate the establishment of a single integrated information system for the regular collection and processing of information on providers by municipality, including public-private partnerships, on their activities and the results achieved, and should organise the introduction of independent monitoring of the activities of providers participating in public-private partnerships and of private providers, including for the assessment of the quality of social services.

2.5. The ESC calls for closer cooperation and stronger integration between social services and other systems: healthcare, education and local communities. Only in this way can it be ensured that resources will have a real social impact and will reach all persons objectively in need of support. In this regard, services for children should be integrated with the school system, and services for adults with healthcare and local active living initiatives.

2.6. The categories/job titles of those working in the social service provision system should be clearly defined, specifying the diversity of their roles and functions in relation to the different service users, and the terminology used in the various pieces of secondary legislation should be harmonised.

2.7. The system should also have a professional competence framework for all those working in social services, with a general and a specific profile, as well as standards for social work.

2.8. The MLSP should take action to have social work, as a profession, included in the List of Regulated Professions in Bulgaria. A gradual transition is needed towards introducing a requirement for higher education and/or professional experience in the field in order to hold the position of “social worker”.

2.9. The National Statistical Institute (NSI) should separate out the indicators and data on social work, including on the provision of social services, and report on it separately from Public Health.

2.10. The MLSP and the AQSS should start collecting information on important indicators characterising employment in social services, including the career development of staff at individual providers, such as age structure, educational attainment and professional experience of those employed. The annual reports should also present performance indicators (coverage, satisfaction, actual access).

2.11. The MLSP should initiate and carry out, with the participation of the social partners and all stakeholders, a comprehensive and in-depth analysis of the state of human resources in the social service provision system according to key criteria and indicators, including workload and professional burnout, as a basis for improving and developing the adopted Strategy for the Development of Human Resources in the Social Sphere, which should also include a Career Development System for those working in the sector.

2.12. On the basis of detailed information on the quantitative and qualitative characteristics of those employed in social services and the forecast of the number of specialists needed to deliver the services under the National Map of Social Services in Bulgaria, the state admission plan for students in the professional field "Social Activities", as well as in other fields training the relevant specialists required to apply a systemic approach in social services, should be planned accordingly. In addition, with a view to the prestige of the profession, professional field 3.4 "Social Activities" should be included in the list of priority fields.

2.13. The MLSP, in cooperation with the Ministry of Education and Science (MES), should develop standards for continuing professional training and support for those working in social services and related sectors, similar to those in force in the education system, which would ensure systematic and coherent continuing professional development.

2.14. The ESC recommends that the MLSP initiate a representative national survey of the level of professional burnout (burnout syndrome) among social workers in the various types of social services.

2.15. The ESC urges the MLSP to step up its efforts towards a more substantial increase in the pay levels of social workers in all groups defined in the Ordinance on remuneration, with particular emphasis on services and areas experiencing a serious shortage of specialists. Following the adoption of the Ordinance on the workload of social workers, an objective mechanism should also be developed for linking workload to the level of individual pay.

2.16. The ESC considers the development of community-based alternatives to be necessary and important. The institutional model remains dominant, but it is expensive and inefficient. Expanding day centres, mobile services and support in the home environment can reduce the pressure on institutions and provide more flexible and individualised support. This is particularly important for people with disabilities and older people, who often need services close to home rather than isolation in an institution.

2.17. Monitoring and transparency are an important priority. To ensure effectiveness, clear and objective indicators for assessing services must be introduced, covering costs and standards as well as access, the number of people waiting, user satisfaction and social impact. The data must be public and accessible in order to ensure transparency and trust.

2.18. In the ESC's view, the standards must be refined and a mechanism for their dynamic updating must be introduced, according to actual demand and regional differences, in order to avoid extreme deviations.

2.19. An important element in improving access and quality of service is capacity optimisation, which entails introducing indicators for the minimum and maximum permissible level of vacant places (for example a reserve of 5–10%), as well as early warning mechanisms for overspending or unused capacity. This will make it possible to limit the costs of unused capacity and to review budgeting in a timely manner.

2.20. Regular audits by the National Audit Office and/or the PFIA should focus not only on the legality of expenditure but also on the effectiveness of social services.

2.21. The ESC recommends introducing a hybrid funding model: the full amount of standard costs should be paid only where occupancy exceeds a certain threshold (at least 90%). For unoccupied places, only fixed costs (building maintenance and core staff) should be paid, but not variable costs (food, medicines, consumables). This will reduce the costs of unoccupied places.

2.22. The introduction of flexible capacity is important for amendments to the legislative framework that would allow easier and faster changes to the capacity of services within the budgetary year, depending on the dynamics of waiting lists and actual demand, in order to avoid situations of excessive shortage or surplus.

2.23. In the ESC's view, cost standards must be linked to results: a methodology should be developed whereby part of the funding is linked to the achievement of outcome indicators, and not only input indicators. For example, successful deinstitutionalisation or improved functioning of the service user.

2.24. The uniform standards should be adjusted to improve the ratio between staff costs and maintenance costs: funds should be earmarked for facilities and activities, so that they are not directed solely to the wage fund.

2.25. It is important that the AQSS's controls be based not only on documents but also on actual impact. The focus of inspections should be directed not only at the existence of documentation but also at the actual implementation of individual support plans. The reasons for refusals on medical grounds should be analysed, as well as whether they conceal a lack of staff competence.

2.26. The ESC recommends monitoring the adequacy of profiling. Controls on the provision of services to persons whose profile they do not match need to be strengthened. The AQSS must sanction practices of filling places with unsuitable service users in order to absorb the budget.

2.27. Inefficiency should form part of the AQSS's analyses. The annual reports should include a special section on budgetary efficiency, tracking the

indicators of the cost per occupied place against the cost standard and the value of unused capacity by type of service.

2.28. Active management of carry-over balances by municipalities is of major importance. Municipal councils should adopt targeted programmes for using carry-over balances to improve facilities.

2.29. The ESC stresses the need to optimise the network of services. Municipalities with services showing systemic unused capacity (over 5%) should take steps to transform those services instead of artificially maintaining staff and facilities.

2.30. More active outreach social work is needed to identify persons in need in the community in order to fill the capacity of new services. For some services, there are vacant places while at the same time there is an unregistered need for them.

➢ **Opinion on "Minimum Wage and Cost of Living: European Practices and Measurement Models", adopted at the Plenary Session on 19.12.2025.**

Main conclusions and recommendations:

1. The ESC expresses its concern and unease at the delay in the transposition into Bulgarian legislation of Directive (EU) 2022/2041 of the European Parliament and of the Council of 19 October 2022 on adequate minimum wages in the European Union (AMWD). Although the interministerial expert working group to prepare the transposition of the AMWD was set up more than two and a half years ago, well before the transposition deadline (15 November 2024), there is currently a significant delay.

2. The ESC notes that the current procedure for setting the minimum wage does not comply with the AMWD or with ILO Convention No 131 concerning Minimum Wage Fixing, ratified by Bulgaria in 2018, and should be revised. The ESC considers that the social partners have a substantial and important role in the process and that their genuine active participation should be ensured, overcoming the formal nature of consultations when setting the level of the minimum wage.

3. The ESC believes that the active participation of the social partners in the process can be ensured by providing for the possibility of negotiations between the representative organisations of workers and employers to set the statutory minimum wage, using statistical data to define adequacy criteria in accordance with the AMWD and taking into account the elements set out in Article 3 of ILO Convention No 131, which coincide with Article 5(2) of the AMWD.

4. Convention No 131 and the AMWD promote collective bargaining on wage-setting. The ESC considers that well-functioning collective bargaining on the manner of wage-setting is an important means of ensuring that workers are protected by adequate minimum wages, which consequently provide the opportunity for a decent standard of living. The statutory minimum wage level is the basis for sectoral and branch-level collective bargaining in Bulgaria.

5. The ESC notes that, following the annulment of Article 5(2) of the AMWD by the Court of Justice of the EU, when transposing Article 5 of the AMWD into national legislation, account should be taken of the elements for setting statutory minimum wages laid down in ILO Convention No 131, in relation to Bulgarian national practices and conditions: (1) the needs of workers and their families, taking into account the general level of wages in the country, the cost of living, social security benefits and the relative living standards of other social groups; (2) economic factors, including the requirements of economic development, levels of productivity and the desirability of attaining and maintaining a high level of employment. The adequacy of statutory minimum wages should be determined by means of indicative reference values commonly used at international level, such as 60% of the gross median wage and 50% of the gross average wage, and/or indicative reference values used at national level.

6. The ESC considers it necessary to hold a discussion between the social partners and the State on the possibilities for defining a concept of the cost of living in Bulgaria.

7. The ESC believes that collective bargaining on wage-setting is an essential element of the AMWD. In order to increase collective bargaining coverage and to facilitate the exercise of the right to collective bargaining on wage-setting, the State, with the participation of the social partners, should adopt an action plan to extend the coverage of collective labour agreements.

8. The ESC stresses that the amendments prepared by the MLSP to the Bill amending and supplementing the Labour Code in connection with the transposition of the AMWD should ensure genuinely functioning mechanisms for setting an adequate minimum wage and for promoting collective bargaining, guaranteeing a balance between the interests of employers and workers. At present, the proposed provisions do not fully ensure compliance with the requirements of the Directive and require further work. The approach to developing the capacity of the social partners also remains unclear, including their readiness to participate effectively in the collective bargaining process, which is an essential element for the successful implementation of the AMWD.