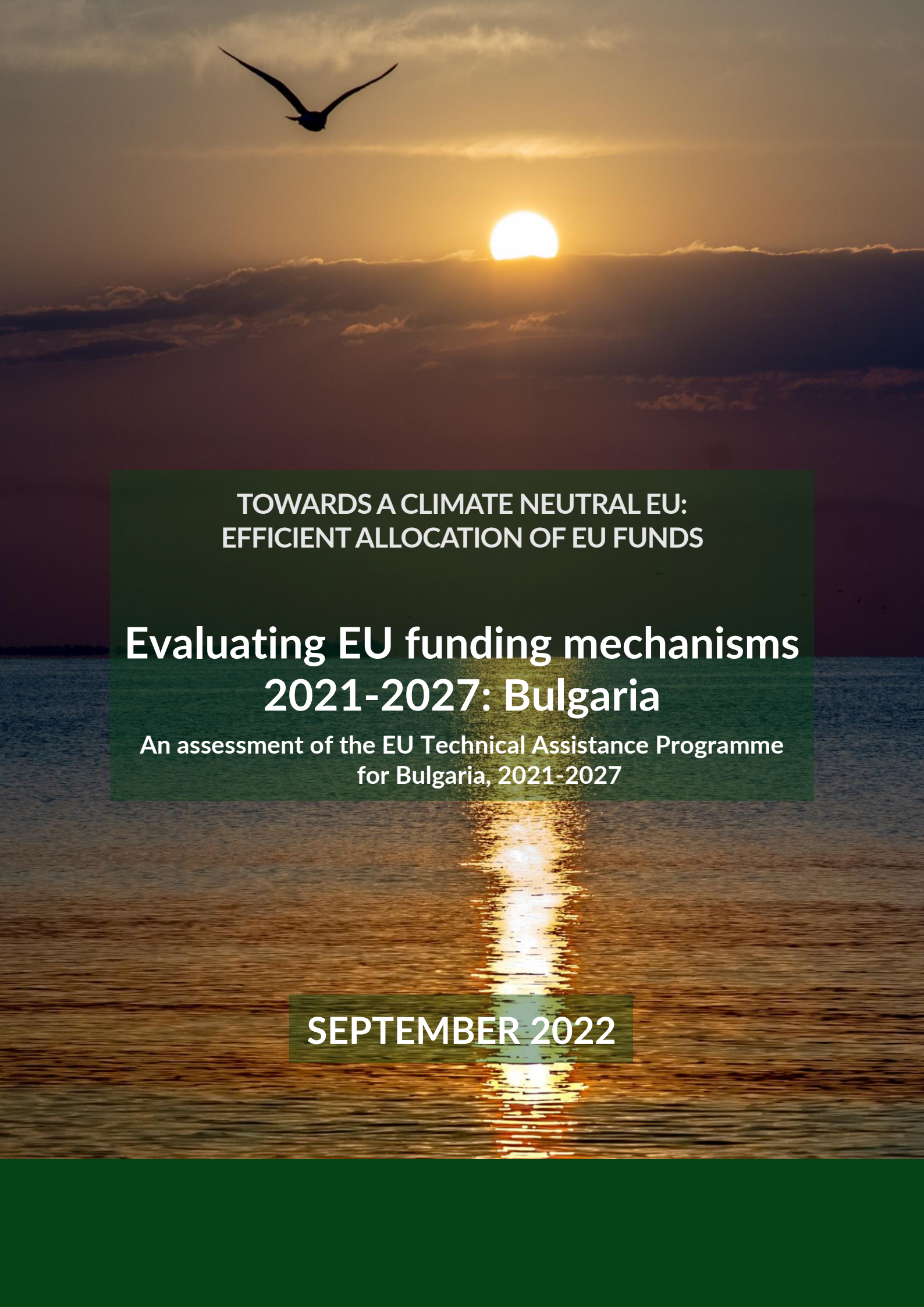


A bird is flying in the upper left portion of the frame against a sunset sky. The sun is a bright, glowing orb on the horizon, with its light reflecting as a shimmering path down the center of the water. The sky is filled with soft, dark clouds. The water in the foreground is dark and calm, with the reflection of the sun being the most prominent feature.

**TOWARDS A CLIMATE NEUTRAL EU:
EFFICIENT ALLOCATION OF EU FUNDS**

Evaluating EU funding mechanisms 2021-2027: Bulgaria

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SEPTEMBER 2022

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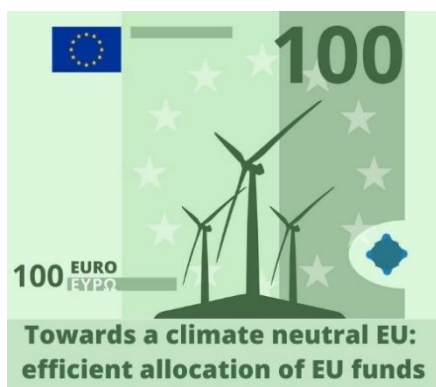
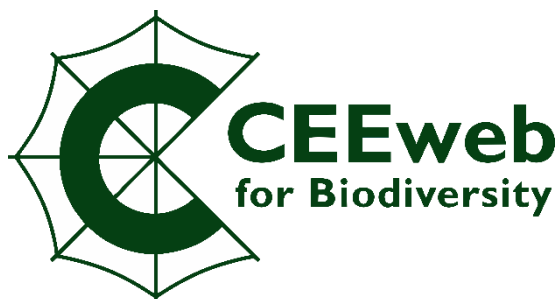


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Acknowledgements

The following paper is the product of a review piece produced by Yassen Georgiev and Petko Kovachev, Executive Director and Director respectively of partner organisation *Институт за икономическа политика* (Economic Policy Institute). The piece was originally prepared in letter form directly for the attention of institutional figures involved in the drafting of the Technical Assistance Programme, but is republished here by CEEweb for Biodiversity as a review of EU funding mechanisms for Bulgaria over 2021-2027, under the framework of the project “Towards a climate neutral EU: efficient allocation of EU funds”.

Disclaimer

The project “Towards a climate neutral EU: efficient allocation of EU funds” is part of the European Climate Initiative (EUKI). EUKI is a project financing instrument by the German Federal Ministry for Economic Affairs and Climate Action (BMWK). The EUKI competition for project ideas is implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH. It is the overarching goal of the EUKI to foster climate cooperation within the European Union (EU) in order to mitigate greenhouse gas emissions.

The opinions put forward in this document are the sole responsibility of the project partners and do not necessarily reflect the views of BMWK.



1. Opinion on the draft Technical Assistance Programme 2021-2027 as regards its relevance to climate and environmental policies

This opinion has been prepared by the Economic Policy Institute in partnership with experts from the Green Policy Institute as part of our joint work on the international project "Towards a climate neutral EU: Efficient allocation of EU funds", which is implemented with the support of the European Climate Initiative.

Recognising the stated aim that the Technical Assistance Programme 2021-2027 (TAP), by supporting improvement and development actions, should provide an environment in Bulgaria that ensures the effective management and control of the funds under the shared management of the CPR funds. Effective control of policy implementation at national level, as well as good coordination not only of the programmes funded by the CDF, but also between them, the programmes managed directly by the EC and the nationally funded programmes, will be key to a rapid resolution of the COVID-19 crisis, and will also contribute to Bulgaria's rapid economic development.

The TAP has a supportive and accompanying role in achieving the objectives of the Joint Programme (JP) by focusing on providing the ecosystem for the implementation of the JP through continuous improvement at the system level.

We believe that because of its objectives and scope, the TAP does not explicitly focus on climate policies. Its only contribution on the subject is mediated: through the improvement of the Management and Control System (MCS) and the identified need to ensure effective control, monitoring and evaluation of the impact of the results achieved with EU funds within the National Priority Action Framework for Natura 2000 2021-2027 (NPAF). It is stated that "The overall improvement of the



EU funds management system in Bulgaria, including contribution to climate objectives, will be ensured by ensuring cooperation and coordination at central level in the preparation of procedures and application guidelines relevant to the NPAF.”

In this context, we believe that insofar as climate policies and objectives are a horizontal priority for the European funds, this is a very modest contribution.

We also note that the environment is covered in the activities that will support the TAP in relation to improving the MCS. There is an identified need to "ensure effective control, monitoring and evaluation of the impact of outcomes achieved with EU funds within the Natura 2000 National Priority Action Framework 2021-2027 (NPAF)". It is noted that although it is defined as a thematic enabling condition, it applies horizontally and concerns all programmes co-financed by the RDDF. We note as positive the finding that "the main challenges in this respect are related to overcoming the facts that in the programming process Managing Authorities have difficulty in recognising the measures included in the NPAFs; on the other hand, the measures included in the programmes are reported through result indicators which do not take into account the environmental impact of the implementation of the programme measures; Managing Authorities have difficulty in recognising the impact and result indicators defined in the NPAFs and this makes it difficult to monitor the progress of implementation.

In this regard, it is stated that "the TAP will support action on the identified challenges in the implementation and management of the NPAF by ensuring a functioning and effective system for control, monitoring and surveillance of the ESIF/FFRE programmes in relation to the implementation of the NPAF measures. The development and updating of the NAP for the next programming period is in focus as a cross-cutting and significant topic for the MCS. In this regard, support should be provided for the development, testing and implementation of a





monitoring system at programme level to assess the impact of the measures implemented to achieve the NREAP objectives, including updating the NPAF in terms of the monitoring system; working with stakeholders, etc. The overall improvement of the EU Funds management system in Bulgaria, including contribution to the climate objectives, will be ensured by ensuring cooperation and coordination at central level in the preparation of procedures and application guidelines relevant to the NPAF."

We welcome the recognition of the fact that, so far, the Managing Authorities of the Operational Programmes have more or less ignored the development of the NATURA 2000 network in Bulgaria. We would add that there are numerous examples of planning and financing projects contrary to this development, leading to severe consequences for certain areas of the network. This has a negative impact on the country as a whole - Bulgaria has two horizontal penalty procedures because of the NATURA 2000 network, and some of the OP projects (e.g. Struma Motorway Lot 3.2) are also contributing.

In this regard, we can welcome the intention that the TAP "will be supported to develop, test and implement a programme level monitoring system to assess the impact of measures implemented to achieve the objectives of the NPAF, including updating the NPAF in relation to the monitoring system; working with stakeholders, etc."

In finishing, we can conclude the following:

1. The proposed draft TAP includes objectives and broadly described activities related to climate and environmental policies (in particular biodiversity conservation). However, without additional information, it is not possible to determine whether these activities are sufficient and whether they could be broader in scope and/or more diverse in type.





2. Among the specific activities described in the programme, it is not possible to distinguish and assess exactly which ones are climate and environment related. They seem to be included in other activities to which there is no specific indication.
3. Accordingly, there is also no information on the contribution of the TAP to the target of 30% of total MFF expenditure for Bulgaria to be directed to climate objectives, and to the target of 7.5% of annual expenditure in 2024 and 10% of annual expenditure in 2026 and 2027 to be on biodiversity objectives, taking into account the existing overlap between climate and biodiversity objectives as per Regulation 2021/1060.

On this basis we would like to recommend:

1. In part 2.B. Technical assistance priorities, 2.B.1.1. Fund Interventions, the TAP should spell out the specific activities it will support to achieve the climate goals and the improvement of the QMS with respect to the implementation of the NPAF.
2. In section 2.B. Technical Assistance Priorities, 2.B.1.2. Indicators, Table 2. Output Indicators, the TAP to break out output indicators reflecting the program's specific contribution to climate and environmental policies.
3. In section 2.B. Technical Assistance Priorities, 2.B.1.3. Indicative Allocation of Programme Funds (EU) by Type of Intervention, the TAP should break down the specific financial contribution to the overall climate and biodiversity financial targets for the period 2021-2027.

We hope that this opinion will be useful, and we express our willingness to provide further information and assistance as necessary.

