



NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA

STATEMENT

OF THE COMMITTEE ON EUROPEAN AFFAIRS AND OVERSIGHT OF THE EUROPEAN FUNDS TO THE NATIONAL ASSEMBLY OF THE REPUBLIC OF BULGARIA

Regarding: The Future EU Cohesion Policy 2014-2020 from the Bulgarian Parliament point of view prior to the European Commission legislative proposals

The Bulgarian Parliament recommendations, related to the new Programming Period of the EU Cohesion Policy 2014-2020, are generated through the double democratic control, exercised by the Committee on European Affairs and Oversight of the European Funds (CEAOEF), via:

- **Regular Hearings** of Executive Power representatives and the respective **CEAOEF Reports¹** on Bulgaria's progress achieved in the field of EU Funds management;
- Open public debate with the civil society representatives within the **Council for Public Consultation²** to CEAOEF (comprising business representatives, NGO sector and academic circles), as well as via surveys on key issues of the European Agenda.

The remarks, addressed towards the Executive Power, in the context of the Future EU Cohesion Policy, are in **two main directions: lessons learnt from the current Programming Period 2007-2013 and Vision for the next Programming Period 2014-2020.**

Lessons learnt from the current Programming Period 2007-2013:

Bulgaria's EU Accession in 2007 coincided with the start of the Programming Period 2007-2013. Based on the **lessons learnt and the Bulgarian experience as a new EU Member State, CEAOEF has formulated 10 key recapitulations from the current Programming Period.** Having in mind the country's participation in the 2014-2020 programming process, the following should be taken into account:

1. Vision: clarity and coherence;
2. Prioritization and targeting;

¹ CEAOEF elaborates regular reports (on every 6 months) on the management of the EU Funds in the Republic of Bulgaria, presenting the progress achieved, problem areas and recommendations to the Executive Power responsible for the EU Funds absorption. Thus, CEAOEF is striving to give early warning in relation to possible omissions or weaknesses identified in the EU Funds management system at national level. The CEAOEF Reports are regularly published on its web-site:

<http://parliament.bg/bg/parliamentarycommittees/members/240/documents>.

² On July 12th 2011 the Council for Public Consultations (CPC) has held a meeting on the topic *“The Future of Cohesion Policy – Are We Ready for the Challenges of the Period 2014-2020”*. CEAOEF has carried out a **survey** on the business sector, the civil society, and the academic circle attitude towards the EU Funds management for the next Programming Period 2014-2020 and their respective suggestions. As a result of the discussion among the representatives of the government, the Parliament and the CPC members, some key recommendations and challenges with view to Bulgaria's participation in the programming process, have been formulated with a broad consensus. The recommendations have been incorporated in the CEAOEF Interim Report on the EU Funds Management for 2011. The stenogram of the CPC meeting is available at:

<http://parliament.bg/bg/parliamentarycommittees/members/240/steno/ID/2172>

3. Standardization – templates and e-governance;
4. Smart rules and less bureaucracy;
5. Transparency;
6. Trust and permanent dialogue among all stakeholders with a focus on the European Commission;
7. Discipline;
8. Internal immunity of the management and control systems;
9. Existing pipeline of big infrastructure projects;
10. Capacity building of the administration and beneficiaries.

The lack of experience as a new Member State and factors on European level, such as: delay in the adoption of the EU Budget, delay in the approval of the Operational Programs, etc., have lead to a late start of the Programs implementation, late establishment of reliable Management and Control Systems and the respective Positive Compliance Assessment by the European Commission, resulting in delayed interim payments, generating low level of absorption of the EU Funds in the country.

Parliament's Vision for the next Programming Period 2014-2020:

At this stage, prior to the official publication of the EC legislative package on the Future Cohesion Policy and based on the experience gained and lessons learnt, as well as with a view to accomplishing the Europe 2020 Strategy goals and the vision for Bulgaria 2020, CEAOEF considers necessary the following **10 key challenges** to be taken into account:

1. **Identify a small number of priorities, while retaining the balance between the basic priorities reflecting the realities at national level and those focused on achieving the *Europe 2020* goals;**
2. Formulation of **clear and measurable targets and indicators** to be used for assessing the progress;
3. Make **differentiated and prioritized allocation of funds among the Operational Programmes**. In setting the national priorities for the next Programming Period, it is most important to **identify the needs** to be addressed using European funds, **rather than focus on the type and specific number of Operational Programmes;**
4. Strengthen the Cohesion Policy political visibility and significance. It should follow the logic **Vision-Strategy-Plans-Programmes**. In preparing the EU Cohesion Policy concept in the Republic of Bulgaria for the 2014-2020 period, **the logic of planning could be based on three main hierarchical objectives: General objective** – stimulating the development of the country and increasing its competitiveness; **Strategic objectives, based on Europe 2020** and **Operational objectives** (some of them already enshrined in the **National Reform Programme**, such as improving the business climate, basic infrastructure, education and competitiveness on the labor market, administrative capacity, etc.);
5. Overcome **the shortcomings of the current Programming Period** in respect of cumbersome procedures requiring a large volume of documentation associated with project application and reporting; delays in project payments; lack of own resources which beneficiaries need to invest in the project; unclear guidelines provided by the administration

on activities which need to be conducted in project implementation and reporting; vague texts allowing for multiple interpretations;

6. **Apply the principle of proportionality** in the next Programming Period, so as, without any prejudice to the rules, **to reduce the administrative burden** and facilitate the rationalization of procedures;
7. **Apply an integrated approach** in the planning of future measures under the Programmes and explore synergies;
8. It is necessary to consider the rationale of documents such as the European Spatial Development Perspective, namely, **development along the regional – urban – rural axis**. In this connection, in the regional and road sectors, it might be appropriate to consider **investing in fewer but significant and large-scale projects**, with a focus on basic infrastructure, which are a matter of priority for the economy and the national regions. The **basic infrastructure** for the next Multiannual Financial Framework should be kept as a priority and co-related to the Europe 2020. In this regard, concrete indicators for its added-value should be elaborated. Example: potential for decreasing the injurious emissions of carbon dioxide by rehabilitation of railway infrastructure; potential for reducing the poverty rate in Northern Bulgarian through the Hemus Highway construction, etc;
9. Define the need for **“a regional level of thinking and planning”** in the next Programming Period: on the one hand, centralize the system, and on the other – decentralize at the level of planning regions;
10. The **stable macroeconomic environment and sound institutional framework** will be essential for receiving assistance from the structural funds.

Participation in the debates on EU level:

CEAOEF will continue to follow the debates on the European level and will participate in the **subsidiarity check procedures of the new European Commission legislative proposals related to the Cohesion Policy and the conditions for absorption of EU Structural and Cohesion Funds for the 2014-2020 Programming Period**.

CEAOEF pays attention to the fact that the evaluation of the Cohesion Policy future architecture and its impact on national level should be realized in the context of the **new EU Multiannual Financial Framework (MFF) 2014-2020**. The EU 2020 priorities are to be achieved within the above-mentioned framework. CEOEF deems that the **EU budget should be fair, taking into consideration the economic development** of each Member State. The Cohesion Policy shall be the tool for overcoming the gap between developed and developing economies and to implement the so called “catching-up process”.

Taking into account the correlation between the above-mentioned key topics of the European Agenda in the framework of the Polish Presidency of the EU, CEOEF will conduct a broad survey among the Council for Public Consultation members and will express its position on the EC legislative package for the new MFF, at its sitting on September 21st 2011.