



Cohesion Policy Programming 2014-2020

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Socio-economic challenges Bulgaria

- Least developed Member State EU: 45% EU GDP
- Lowest labour productivity
- Highest energy intensity
- Demographic trends (declining population → labour supply!)
- Image and inefficiency of judicial system
- Inefficiencies public spending: education, health, ...
- Skill mismatches of labour market EC
- Administrative capacities: municipalities, sectors

EC services preparation 2014-2020

- Framework for dialogue EC services and Bulgaria
- Position Paper: advance information EC services' assessment **key challenges + priorities Bulgaria**
- Taking into account Europe 2020 targets, **lessons learnt 2007-2013**, EC proposals 2014-2020, structural and institutional problems, etc.
- Informal preparation PA and OPs: gaining time



Key challenges + priorities (1/2)

Low labour market participation

Labour force potential insufficiently tapped

Bottlenecks in education and training

Population at risk of poverty & social exclusion

Business competitiveness & RDI system

Fragile economic structure

Territorial imbalances

Inefficient R&I system

Insufficient infrastructure endowment

Transport networks

Information & Communication Technologies



Key challenges + priorities (2/2)

Inefficient use of energy and resources

Energy intensity Bulgarian economy & society

Gaps EU legislation acquis and Accession Treaty:

Energy efficiency, urban waste water treatment, drinking water quality, waste management, urban air quality, NATURA 2000 sites

Low risk prevention capacity disasters

Capacity of public administration and judiciary

Low efficiency/quality public services

Insufficient adm. capacity all governance levels

Low efficiency judicial system (quality, independence and law enforcement)

Use of e-government services half of EU average

Lessons learnt 2007-2013 (1/2)

Positive:

- No loss of funding so far (N+3 ERDF, CF and ESF)
- No interruptions or suspensions in 2012
- SF implementation system established

But...

- Low take-up: 31% of EUR 6.67 bln absorbed in 6 ½ years
- 30 months to spend 69% (NB. 150 mln per month)
- EU Funds implementation BG: bureaucracy, administrative capacity (beneficiaries, municipalities)

Lessons learnt 2007-2013 (2/2)

Explanations low take-up of funds?

- Bulgaria's first programming period
- Project pipelines not mature
- Poor calls-for-project proposals
- Systems and institutions not equipped
 - Control and verifications, incl Audit Authority (beginning programming period)
 - Administrative capacity (municipalities!)
 - Public Procurement
- Increase red tape and controls (2009 NRIA conflict-of-interest)

Managing Authorities have learned

- Lack of decisiveness and inter-institutional cooperation

Main changes 2014-2020

- **European Structural and Investment Funds (ESIF)**
- **Partnership Agreement (PA)** (\approx NSRF 2007-13, CSF 2000-06)
- **Alignment MFF with EU2020 and Country Specific Recommendations (National Reform Programme)**
- **Emphasis on smart, sustainable & inclusive growth**
- **Objectives, targets.**
- **Integrated planning and implementation of ESIF**
- **Funding Priorities (5) and Thematic Objectives (11)**
- **Ex Ante conditionalities**

More thematic concentration

2007-2013

Limited impact due to
fragmentation of
resources

in areas which
do not underpin
economic and social
development



2014-2020

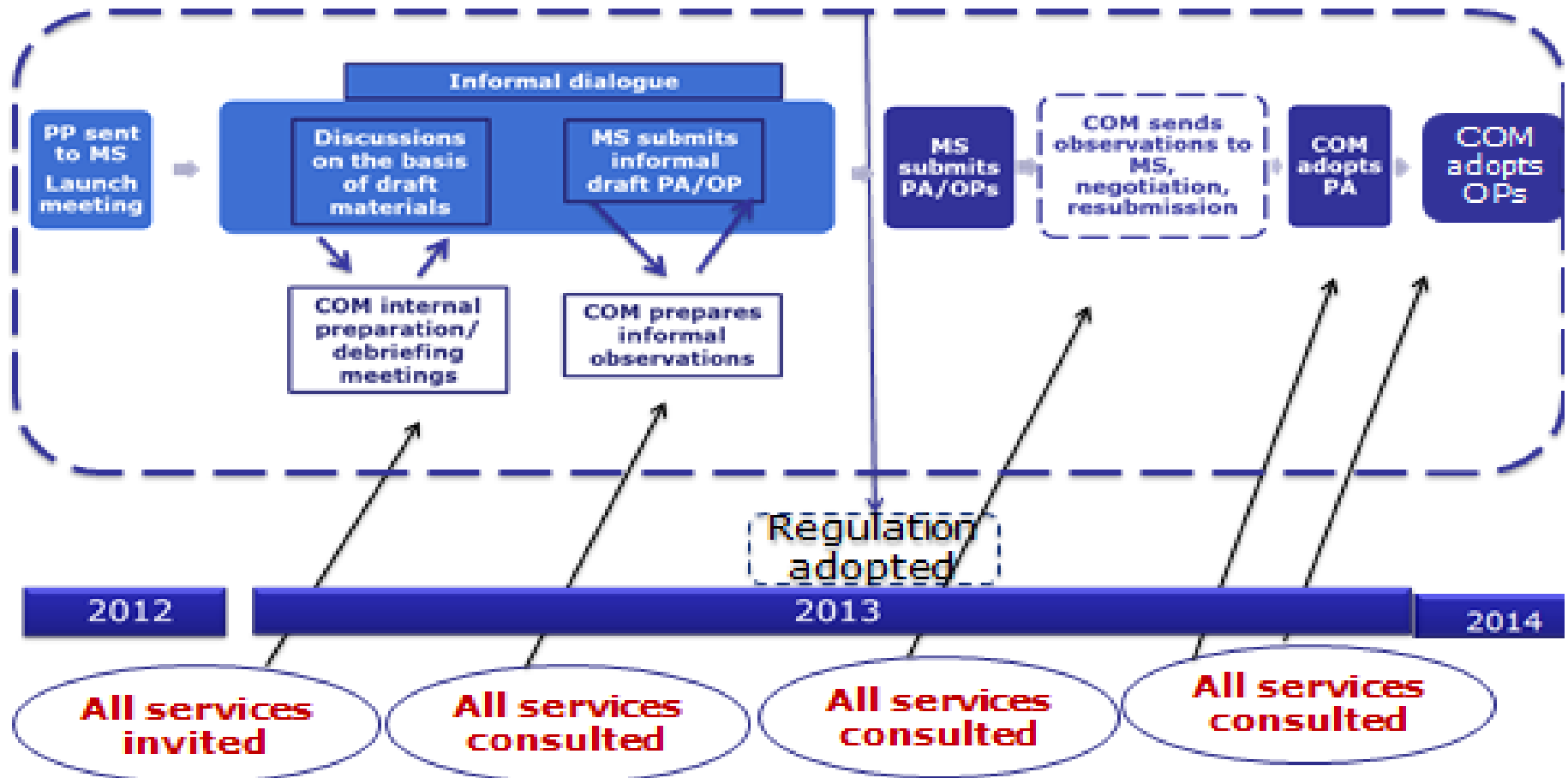
focus on limited
number of areas
which contribute to
economic and social
development

Calendar (in)formal contacts

- Oct.'12 - Position paper COM
- 6 Feb - Kick-off meeting, Sofia
- 15 April - Full draft Partnership Agreement
- May – REGIO Competence Centres + Inter-services meeting Commission: not mature.
- Next draft Partnership Agreement: before July or beginning of September
- Formal COM inter-services consultation
- Adoption CPR(Nov?): official submission PA/OPs



Process in a nutshell



Advice preparations 2014-2020

- **Strategy = making choices: resources limited**
- **Private investment: PPP, financial engineering**
- **Focus on growth and jobs**
- **Investments with impact**
- **Structural efficiency measures: reforms**
- **Continuity staff, expertise, institutional memory: "Do not change what works."**
- **Sound control and verification systems: prevent financial corrections EC**



**Thank you
and
good luck!**

More information:

http://ec.europa.eu/regional_policy/index_bg.cfm