

RESUME OF ZA ZEMIATA OPINION ON DRAFT NATIONAL PLAN FOR RECOVERY AND RESILIENCE (PRR), SUBMITTED FOR PUBLIC CONSULTATION ON 30.10.2020

I. GENERAL REMARKS

The plan at the current moment does not offer detailed calculations of the planned costs by projects and categories. **Most of the plan is a wish list reciting good practices that can be implemented in the next four years of recovery.** This practically makes it just a template, a blank, sixty pages of essay worth BGN 12 billion. Not only stakeholders were deprived of participation in the writing but also the result is, to put it mildly, mediocre. **That is why we call on the Government to continue with the phase of gathering ideas on the plan.**

The fact that these funds are public debt makes us particularly responsible for the way they will be spent. That is why we cannot afford this plan to remain so general.

Our proposal:

Only after a detailed listing of the planned investments by areas and components, a new public debate should be opened and only then the plan should be finalized. An appropriate time frame would be presentation of the second version of the plan in January 2021, then collecting comments during the election campaign, when people will be able to ask their questions to the governing and candidate-governing politicians, and finally review of the comments and finalization of the plan after the elections in March to meet the EC's deadline which is until the end of April for filing up the final version.

II. ON THE PLAN STRUCTURING

A. There is a lack of documentation that should precede the plan

The plan is based on the National Development Program Bulgaria 2030, "adopted at the beginning of the year 2020". The document should be accompanied by: an "indicative financial framework, a preliminary impact assessment and a mechanism for monitoring and control of implementation". Such documents are not publicly available.

Neither an elaborate analysis of the Crisis has been applied, nor any forecast for the consequences from it. What are the economic and social areas affected?

This is absolutely necessary for the precise identification of the target priorities and hence - the most effective measures for their achievement.

The sequence of actions should be: 1. analysis and identification of the damage and the affected by the pandemic groups of citizens and economic areas, 2. prioritization and ranking according to

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the degree of concern and public importance, 3. calculation of the financial resources needed to recover them, 4. strengthening and ensuring the sustainability of their development in accordance with the European and national strategic plans.

B. Lack of reference with the EU Multiannual Financial Framework 2021-2027 (MFF)

The planning should be in line with the long-term financial framework and complementary to the policies and objectives set out in the Partnership Agreement for the period 2021-2027, but should be specifically targeted and not perceived as an additional resource for funding reserve projects under operational programs. The connections should be clear and well described. Although negotiations on the financial framework and programming have not yet been completed, it is important to set figures, even preliminary ones, and where applicable to explain the relationship between the two budgets.

C. Lack of orientation towards the affected people.

The Plan should be oriented towards the affected people. It should be based on analyses about the identified affected groups, the type and extent of losses suffered. Secondly, it must ensure further sustainable development in the affected areas. It must set these goals in such a way that they are in line with the European strategic documents REACT EU, Green Deal, etc.

D. There are no clearly defined and easily assessable goals, measures and projects

The proposed project envisions measures and projects and sets goals, many of which have already been set in two programming periods - 14 years, *and which have not yet been implemented.* Without an analysis of the reasons and without mechanisms to ensure their implementation, there is a high risk that the set goals will not be achieved (also this time), meaning **that further funding under the plan will be suspended.**

III. ON THE ESSENCE OF THE PLAN

Almost every new section of the plan begins with a description of a problem or deficit in Bulgaria. This is followed by a list of measures, for which in most cases it is not clear how exactly they correspond in solving the described problem. Nowhere in the plan any indication is given that the funds will be used as a lever to mobilize private investment while there is such a field and potential.

Nowhere is specified which are the most affected industries and which type of industry - light, heavy? A decline in the field of services (which undoubtedly are the most affected), trade, entertainment business, tourism has not been analysed.

Realistically, the Plan should provide solutions that can make education flexible and that can be used as a ready-made solution in case of similar crisis.

The largest contribution to emissions in our country is due to the burning of lignite coal in the thermal power plants and there is the key for the reduction of the carbon intensity of the whole economy.

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It is necessary to present a plan with set timing – when and to what extent the envisioned measures will be applied, so that citizens and businesses will know at what point in the period 2021-2025 they will be able to take advantage of them.

IV. ON PILLAR 2: GREEN BULGARIA - BGN 4,499.0 million.

Measures to mitigate the negative effects of the energy market liberalization on the most vulnerable consumers have a place in this plan and are, in our view, acceptable.

The plan lacks an analysis of the results of the already implemented 2 large-scale energy efficiency programs - one under OPRD and one with national funds. **The measures in the plan do not have any goals and measurable indicators for achieving these goals.** Going back to the renovation budget, which is a big item in the plan, we ask what will be achieved with BGN 3 billion? How many homes will be renovated? **It is also necessary to envision what is to be done with semi-empty multi-family buildings, those with structural problems, as well as with the small multi-family buildings and family houses. It is important all homeowners to be granted access to financing,** and these links and tools should be described in this plan.

A. Proposal of the Ministry of Regional Development and Public Works for the Energy Efficiency Program within the PRR

This preliminary proposal is only a distribution of large portions of funds. In it real indicators such as the aimed number of renovated homes and saved emissions are missing again.

As a way of financing multi-family and single-family buildings is indicated **the existing mechanism of the National Program for Energy Efficiency of Multifamily Residential Buildings (NPEEMRB)**. Continuation of the program in its old form does not correspond to what is sought through the Renovation Wave (the provision of a 100% grant, for already applied buildings, the required energy class C, locking- in future investments, the materials used and what happens after the end of their life are just few examples of what is problematic).

Our recommendation:

We would like to see in all documents and programs related to the EC's Renovation Wave initiative a declared readiness to act in accordance with the following 6 holistic principles:

1. Buildings as part of the living environment must be healthy and provide for prosperity.
2. Our buildings must be part of the energy infrastructure.
3. Buildings must achieve high levels of energy efficiency.
4. Buildings must be circular in terms of the materials used and the way of living
5. No need to use fossil fuels in / for buildings.
6. Buildings resilient to climate risks.

B. Establishment of a national Decarbonisation Fund.

A more detailed description of the reformist intentions is needed regarding the **creation of a national decarbonisation fund** - this is an important and timely initiative, but again with no set

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demarcations between this plan and the other funds under which it will be financed. When structuring and capitalizing the national decarbonisation fund, beneficiaries who will have access to this fund and the financial mechanisms that will be set up to support the implementation of the above measures should be identified.

Nowhere in the plan any indication can be seen that the funds will be used as a lever for mobilization of private investment while there is a field and potential for this (eg. the installation of RES for own use of the railways, in our opinion).

Will only more plans and strategies be signed under this activity and will there be real investments in decarbonisation? What do we really want to achieve with the Decarbonisation Fund, when in practice we do not plan to decarbonise anything until 2030 according to the figures in NECP, let alone to have an ambition for decarbonisation till 2025? Has anything changed in the national goals since the final NECP was issued in February 2020? We will be happy if so! Given that the structuring of this fund will take place under the direct supervision of the EC, we have increased expectations for this synergy and, accordingly, for a better end result. We certainly do not want mediocre measures, nor measures that will remain only on paper.

V. On “Healthcare” Area, where not a single reform is planned.

Not a single measure or a goal to improve the organization and the efficiency of the healthcare system in order to facilitate the work of specialists, general practitioners, nurses, paramedics, health mediators. Nothing is provided to increase the efficiency of medical services. Not a word about preventive medical care. The current pandemic has proved what a commercial and inefficient hell our health workers are forced to work in. Many doctors and medical personnel lost their lives in the pandemic while helping. Many could not withstand the psychological pressure. How does this plan compensate for the healthcare system and help to fix the gaping holes caused by the pandemic? And how do we compensate the families of the deceased medics, for whom the consequences remain forever?

With respect:

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