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COUNTRY FICHE

BULGARIA [BG]

Two types of Territorial Delivery Mechanisms were implemented in Bulgaria during the 2014-20 period: 39 Sustainable Urban Development (SUD) strategies, funded by the European Regional Development Fund (ERDF), and implemented through the Operational Programme's Priority Axis (SUD PrAx); and 73 Community-Led Local Development (CLLD) strategies, which integrated several funding streams, including ERDF, the European Social Fund (ESF), and the European Agricultural Fund for Rural Development (EAFRD). Substantial resources were dedicated to these Territorial Delivery Mechanisms, amounting to nearly 15% of Bulgaria's ERDF and Cohesion Fund (CF) allocation. Although Territorial Delivery Mechanisms in Bulgaria were managed centrally, which limited the scope for formulating place-based strategies, the strategies nonetheless triggered significant governance innovation and helped develop capacities at the local level.

POPULATION	STATE TYPE
6.44 million	Centralised

NATIONAL ESIF BUDGET

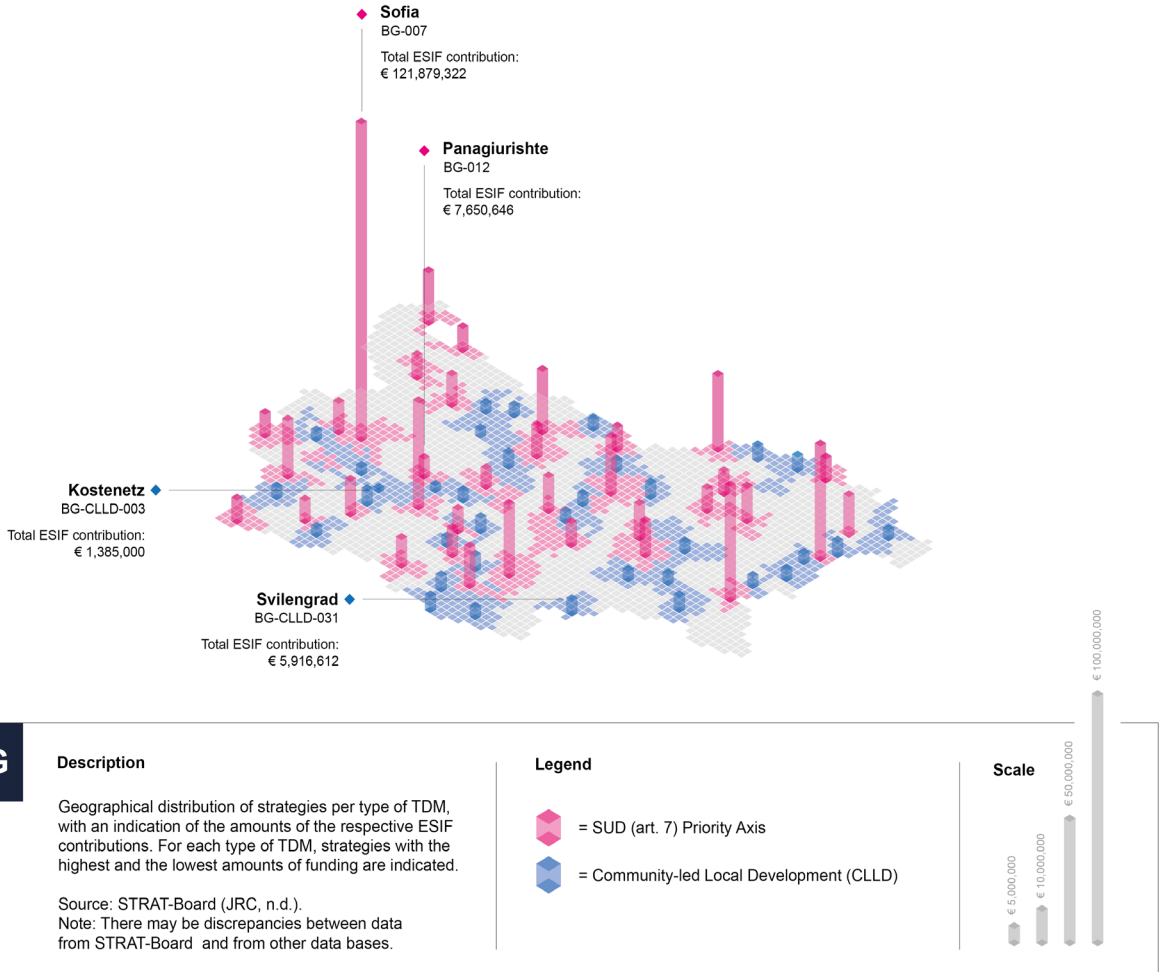
EU Contribution (EUR)	€ 11,134,186,249
National Contribution (EUR)	€ 1,886,656,354
Total Contribution (EUR)	€ 13,020,842,603

Note: including all ESIF - ERDF, ESF, EAFRD, YEI, EMFF
Source: Cohesion Open Data Platform (European Commission, n.d.)

Territorial Delivery Mechanism type	No.	ESIF type	Share of ERDF /CF allocation	Share of decided allocations spent (end 2022)
SUD (Art. 7) Operational Programme	0	-	-	-
SUD (Art. 7) Priority Axis	39	ERDF	14.3%	80%
Integrated Territorial Investment (ITI; SUD)	0	-	-	-
Integrated Territorial Investment (ITI; non-SUD)	0	-	-	-
Community-led Local Development (CLLD)	39	EAFRD, ESF, ERDF	0.6%	74%
TOTAL	**78**	**-**	**14.9%**	**-**

Source: allocations and spending based on Cohesion Open Data Platform (European Commission, n.d.), remaining items on STRAT-Board (JRC, n.d.).
Note: STRAT-Board data is self-reported by strategy holders. There may be inconsistencies between the data reported in STRAT-Board and other databases, such as the Cohesion Open Data Platform.

Figure 1: Geographical distribution of Territorial Delivery Mechanism (TDM) strategies



GOVERNANCE CONTEXT

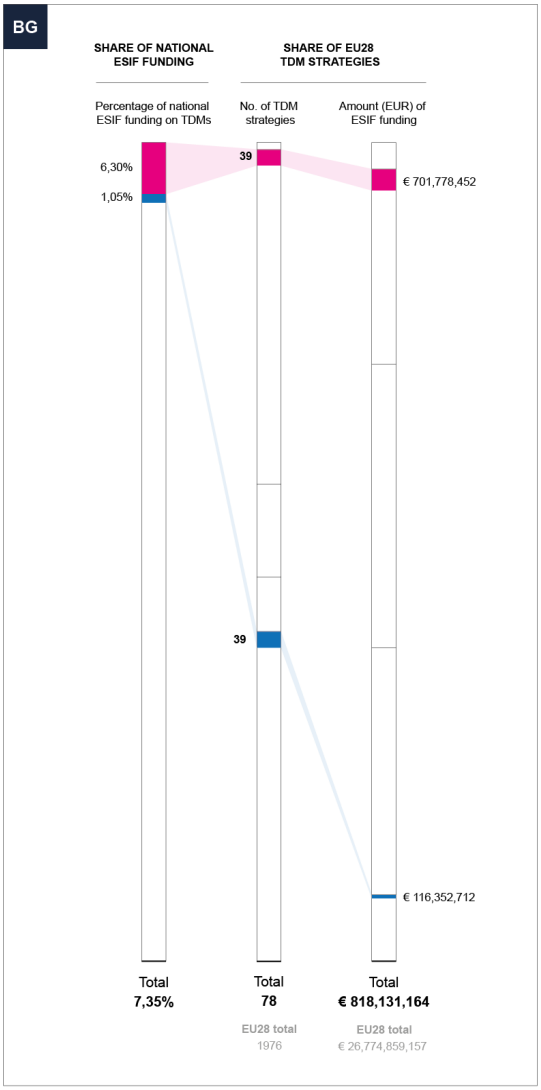
Bulgaria's territorial governance is based on a unitary state model with a centralised administration. The regional level comprises six planning/statistical regions at the NUTS 2 level, which are not administrative units and have no governmental structures attached to them. The country is further divided into 28 districts at the NUTS 3 level (oblasts), each with its own governor and district administration. The governor is appointed by the government, while the district administration is a deconcentrated body of the state. At the local level, Bulgaria includes 265 municipalities. Although Bulgaria has undergone various administrative reforms since the 1990s, it remains a largely centralised country. Municipalities manage local administration, including education, healthcare, and infrastructure, with municipal councils responsible for decision-making at the local level. While districts have some autonomy, the central government maintains significant control over key areas. This unitary system aims to balance centralised governance with district representation, ensuring uniformity while accommodating local needs. Some form of regionalisation is also promoted through Cohesion Policy, with funding targeted at the regional (NUTS 2) level during the 2021-27 period via Integrated Territorial Investments.

COHESION POLICY CONTEXT

Cohesion Policy is a key instrument for implementing regional policy in Bulgaria. It is executed through National Operational Programmes (OPs). Before the introduction of Territorial Delivery Mechanisms in 2014-20, implementation responsibilities lay entirely with national ministries and agencies. This more centralised structure of Cohesion Policy implementation in Bulgaria reflects the absence of regionalised administrations and regionally elected governments. Given the growing regional disparities between the capital and the rest of the country, Cohesion Policy during the 2014-20 period placed a stronger emphasis on promoting polycentric development as a means of addressing these disparities. This was predominantly supported through two Territorial Delivery Mechanisms, SUD PrAx and CLLD, and was based on the Bulgarian National Concept for Spatial Development 2013-25.

FEATURES OF THE TERRITORIAL DELIVERY MECHANISMS

Figure 2: Types of Territorial Delivery Mechanisms (TDMs) used, amount of strategies and the corresponding shares of ESIF* contributions



Source: STRAT-Board (JRC, n.d.). Notes: On the first vertical bar from the left, the percentage of all ESIF funding for that country allocated to TDM strategies is indicated with colour. The whole bar represents all ESIF funding for that country. On the second bar (middle), the number of each type of TDM strategy implemented in this country is indicated with the corresponding colour, with the whole bar representing all TDM strategies implemented across the EU28 (1976 strategies, as indicated in grey below the bar). On the bar on the right side, the amounts of ESIF funding for the TDM strategies are indicated with the corresponding colour. The bar represents the total allocation of ESIF for TDMs in the EU28. Please note that there may be inconsistencies between the data reported in STRAT-Board and Cohesion Open Data Platform.

Sustainable Urban Development (Art. 7) Priority Axis

The Bulgarian National Concept for Spatial Development 2013-2025 identified 67 towns and cities as regional centres, categorised into hierarchical levels from 1 to 4. These cities and towns are distributed across all six NUTS 2 regions. The settlements classified under hierarchical levels 1 to 3 were supported under SUD PrAx with the aim of reducing territorial imbalances in the country. For the first time in Bulgaria, municipalities played a significant role in Cohesion Policy during the 2014-20 period, as 39 large and medium-sized urban municipalities were appointed as Intermediate Bodies, with delegated authority to assess and select projects for funding. In the centralised approach adopted in Bulgaria, all SUD PrAx strategies were supported by the ERDF and addressed the same thematic objectives. These ranged from supporting environmental protection and improvements in resource efficiency (the largest share of the allocation) and the transition towards a low-carbon economy, to themes within the social domain, such as social inclusion, education, and skills training.

The size of the allocations for the different SUD PrAx strategies varied significantly, from nearly €122 million in ERDF funding for the strategy implemented in Sofia, the capital city, to €7.6 million for Panagyurishte in Southern Bulgaria. Overall, the SUD PrAx strategies performed well in terms of financial implementation, with 80% of the allocated funding spent by the end of 2022.

Community-led Local Development

In Bulgaria, CLLD was regarded as the successor to the LEADER initiative implemented during the 2007-2014 period. Building on the foundations laid by LEADER, the Local Action Groups (LAGs) established earlier were able to access a broader range of funds beyond the European Agricultural Fund for Rural Development (EAFRD), including the European Regional Development Fund (ERDF), the European Social Fund (ESF), and the European Maritime and Fisheries Fund (EMFF). As a result, the available budget for CLLD was nearly four times larger than in the previous period. In total, 39 CLLD strategies were funded in Bulgaria, they allowed for the integration of up to five national programmes, providing LAGs with the flexibility to utilise multiple sources of funding. For example, the LAG Troyan-Apriltsi-Ugarchin used funds from three of these programmes: Innovations and Competitiveness (ERDF), Human Resources Development (ESF), and Rural Development (EAFRD). Coordination of CLLD involved five national Managing Authorities responsible for the eligible Operational Programmes, with the Ministry of Agriculture, Food, and Forestry overseeing the process.

One of the notable changes introduced by CLLD was the expansion of territories covered by the LAGs. In addition to rural and maritime municipalities, CLLD included 'territories with specific characteristics,' as defined by the National Concept for Spatial Development 2013-2025. Consequently, CLLD encompassed all types of territories in Bulgaria except for urban municipalities.

While the availability of funding from different EU sources was generally seen as positive for the integrated development of territories, the complexity of combining these funds and the limited administrative capacity posed

* In order to reflect the contribution of various funds to TDMs, this graph includes all ESIF funds (ERDF, ESF, CF, EAFRD, EMFF).

significant challenges. Furthermore, although responsibilities were delegated to the local level, genuine devolution to lower territorial levels was constrained by the centralised administrative system of the country and the absence of a regional government tier.

That said, CLLD strategies generated significant added value. They provided local territories that would otherwise have limited access to funding with new opportunities. They contributed to increasing trust, knowledge, and skills among local stakeholders, enhanced transparency, and promoted local ownership. The previously established LAGs played a crucial role in coordinating activities within their territories and benefited from the LEADER networking system at both national and EU levels.

Boosting the capacity of Local Action Groups and municipalities through CLLD

In Bulgaria, CLLD strategies provided municipalities and Local Action Groups (LAGs) with new responsibilities in the design, management, and implementation of local development projects. Many of the LAGs were initially established under the LEADER programme, which expanded their activities and enhanced their capacities when implementing CLLD. Given the limited fiscal resources available at the local level in Bulgaria, this has presented a significant new opportunity. CLLD strategies addressed various local needs, including infrastructure, education, culture, sports, vibrant and accessible urban environments, recreation, and energy efficiency. With these additional responsibilities, local administrations also developed their capacity in project management and implementation, although the extent of this development varied. Under CLLD, some LAGs combined objectives linked to different Operational Programmes (OPs) and EU funds. This approach allowed them to allocate support across various sectors, addressing both ‘hard’ and ‘soft’ measures. While some funding helped local businesses expand their economic activities, other projects focused on reducing social exclusion. For example, support was provided to social enterprises that create jobs for marginalised groups, youth, and those nearing retirement age. Efforts to promote social inclusion were also evident in the education sector. A key lesson learned from CLLD implementation in Bulgaria was that, to ensure a more balanced distribution of funds across different territories and to prevent the concentration of resources in larger municipalities, closer cooperation between municipalities should be encouraged.

IN SUM

While the centralised approach to managing Territorial Delivery Mechanisms somewhat limited the potential for developing more place-specific strategies tailored to local needs, it also spurred innovation in several ways. Firstly, the SUD PrAx strategies involved municipal governments in the management of Cohesion Policy for the first time, enhancing their role in implementing national spatial policy and helping them to develop administrative capacity. Meanwhile, CLLD strengthened the role of local authorities and stakeholders in supporting local development by broadening the scope of action and expanding the territories of the LAGs. This approach also increased trust among local stakeholders and channelled funding to beneficiaries who might otherwise have struggled to secure support for their initiatives.

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