

SPRING 2020 REFORM BAROMETER – BULGARIA

European Semester - Overall assessment of 2019 cycle

	To what extent do you agree with these statements:		Detailed comments
1.	The National Reform Programme submitted by your Government (April 2019) is appropriate.	To a large extent	Speeding up reforms aiming at tax collection, effectiveness and efficiency of public spending, E- Government, solvency procedures, flexibilization of Labour market and Labour Law, Education, Power sector, public infrastructure modernisation.
2.	The Commission's country specific recommendations for your country are appropriate.	To a large extent	as per p. 1 above
3.	The Commission assessment of reform implementation the year before is appropriate.	To a large extent	as per p. 1 above
4.	The Commission assessment of excessive imbalances (in-depth review) is appropriate.	---	

Assessment of Country Specific recommendations 2019 in detail

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 1	Improve tax collection through targeted measures in areas such as fuel and labour taxes. Upgrade the State-owned enterprise corporate governance by adopting and putting into effect the forthcoming legislation.	Important	Satisfactory	There is progress in the adoption and amendments to regulations on fuel taxes and public enterprises' governance.
CSR 2	Ensure the stability of the banking sector by reinforcing supervision, promoting adequate valuation of assets, including bank collateral, and promoting a functioning secondary market for non-performing loans. Ensure effective supervision and the enforcement of the AML framework. Strengthen the non-banking financial sector by effectively enforcing risk-based supervision, the recently adopted valuation guidelines and group-level supervision. Implement the forthcoming roadmap tackling the gaps identified in the insolvency framework. Foster the stability of the car insurance sector by addressing market challenges and remaining structural weaknesses.	Important	Satisfactory	There is progress in implementation of banking and financial sector as recommended. The solvency procedure is still to be simplified and improved.

		Q1: The recommendation is:	Q2: implementation on effort is:	Detailed comments
CSR 3	Focus investment-related economic policy on research and innovation, transport, in particular on its sustainability, water, waste and energy infrastructure and energy efficiency, taking into account regional disparities, and improving the business environment.	Extremely important	Mixed	BIA submitted a number of positions and proposals relevant to the current and next programming period incl. setting up a strategic planning framework, codification of the policy areas, national programs and projects and improving transparency and effectiveness of the public spending.
CSR 4	Strengthen employability by reinforcing skills, including digital skills. Improve the quality, labour market relevance, and inclusiveness of education and training, in particular for Roma and other disadvantaged groups. Address social inclusion through improved access to integrated employment and social services and more effective minimum income support. Improve access to health services, including by reducing out-of-pocket payments and addressing shortages of health professionals.	Extremely important	Mixed	BIA submitted a number of positions and proposals relevant to CSR 4.

Reform Progress in your Member State in 2019

How would you assess reform progress in 2019, for the following broad areas:

Taxation and Public Finances	Mixed
Business environment (regulation/access to markets)	Mixed
Labour market	Mixed
Innovation and skills	Mixed
Access to finance and Financial stability	Satisfactory

Is there any example of an economic reform, specific to your country that BusinessEurope could highlight in its 2020 Reform Barometer?

Most of the planned reforms related to the country accession to ERM II were implemented.

Reform priorities for 2020

	I. Policy Area	II. Concrete Recommendations	III. Are the proposed recommendations already in the agenda of your Government?
Priority 1	Sector specific regulation (telecom, energy)	Reform of Energy prices.	yes
Priority 2	Labour market mismatch and labour mobility	Reforms of Education and Labour Law.	yes
Priority 3	Public sector efficiency	Optimisation of State administration, codification of policy areas, national programs and projects for more transparency, effectiveness and efficiency of public spending.	yes
Priority 4	Business Environment - Regulatory barriers to entrepreneurship	Overall review and simplification of the existing requirements as proposed in the BIA specific sector positions and proposals.	yes
Priority 5	Pension and health care reforms	Amendments of the rules for pensions from the second pillar and healthcare.	yes