


**Research article**

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**ACHIEVING SUSTAINABLE DEVELOPMENT THROUGH THE  
EFFECTIVENESS AND EFFICIENCY OF EU STRUCTURAL AND  
INVESTMENT FUNDS IN SELECTED MEMBER STATES WITH A SPECIAL  
FOCUS ON BULGARIA**

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**Abstract**

**T**he present research is focused on achieving sustainable development through the evaluation of the effectiveness of implementing European funds in member states, with a special focus on Bulgaria. The aim of this article is to analyse the added value of European funds and their effectiveness and efficiency on the national economy to understand their proper contribution to the sustainable development of concrete member states. Based on official data, both on national and European levels and their comprehensive analysis, the author concluded that the effectiveness of European Union (EU) funds and therefore their role in the sustainable development of the country varies depending on the member state. The national management system and its ability to act flexibly and adaptively is crucial in terms of optimizing the added value of the initial planned and allocated resources from programmes funded by European Structural and Investment Funds (ESIF). Although there are very clear rules and specific legislation concerning the level of financial support, as can be seen from the data, member states with relatively the same level of development, population and territorial area begin the programming period with different planned budgets for ESIF programmes. Therefore, apart from everything else, the strong negotiation skills of the governmental representatives in the process of programming the next programming period are necessary to obtain good starting results.

**Keywords:** Sustainable development, European Union, European Funds, European Programmes, ESIF, member states, efficiency

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## ДОСТИЖЕНИЕ УСТОЙЧИВОГО РАЗВИТИЯ ЗА СЧЕТ ЭФФЕКТИВНОСТИ СТРУКТУРНЫХ И ИНВЕСТИЦИОННЫХ ФОНДОВ ЕС В ОТДЕЛЬНЫХ ГОСУДАРСТВАХ-ЧЛЕНАХ НА ПРИМЕРЕ БОЛГАРИИ

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### Аннотация

Настоящее исследование сосредоточено на достижении устойчивого развития посредством оценки эффективности использования европейских фондов в государствах-членах, с особым акцентом на Болгарию. Целью этой статьи является анализ добавленной стоимости европейских фондов и их эффективности для национальной экономики, чтобы понять их надлежащий вклад в устойчивое развитие конкретных государств-членов. Основываясь на официальных данных, как на национальном, так и на европейском уровнях, и их всестороннем анализе, автор пришел к выводу, что эффективность фондов Европейского союза (ЕС) и, следовательно, их роль в устойчивом развитии страны варьируется в зависимости от государства-члена ЕС. Национальная система управления и ее способность действовать гибко и адаптивно имеет решающее значение с точки зрения оптимизации добавленной стоимости первоначально запланированных и выделенных ресурсов из программ, финансируемых Европейскими структурными и инвестиционными фондами (ЕСИФ). Хотя существуют очень четкие правила и конкретное законодательство, касающиеся уровня финансовой поддержки, как видно из данных, государства-члены с относительно одинаковым уровнем развития, населением и территорией начинают период программы развития с разными запланированными бюджетами для программ ЕСИФ. Поэтому, помимо всего прочего, для получения хороших стартовых результатов необходимы сильные навыки ведения переговоров представителями правительства в процессе разработки программ развития на следующий период.

**Ключевые слова:** Устойчивое развитие, Европейский союз, Европейские фонды, Европейские программы, ЕСИФ, государства-члены, эффективность

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## 1. Introduction

The effectiveness and efficiency of the European Union (EU) has always been the subject of serious public debate, especially in the last few years. The reasons for this could be found in various aspects, with the measures and decisions taken in the fight against the COVID-19 (lockdown, vaccination process, different measures for precautions, etc.) on one hand and Brexit and its consequences over both the EU member states and the United Kingdom on the other. Also, the effectiveness and efficiency of EU funds and programmes are usually an object of vivacious discussion in terms of identifying which member states are net payers and which countries are the biggest beneficiaries. This debate could also be interpreted in terms of achieving sustainable development for the national economy through the following two steps: first, to make a comprehensive assessment of the effectiveness and efficiency of EU Structural and Investment Funds and second, if necessary, to identify specific measures to improve their contribution to national sustainable development. At the end of each programming period, the European Commission (EC) initiated a broad discussion among member states covering different types of stakeholders in an attempt to identify the most important priorities for policy development for the next programming period. It is obvious that these priorities will refer to and will impact diversely on the member states due to the differences between their economic development and specific national problems and characteristics. The idea of the current study is to understand the level of efficiency of EU structural and investment funds (ESIF) in different member states as a direct result of fundamental EU policies. In this specific context, the major aim of the current article is to analyse the official data both on EU and national levels of concrete member states to understand the concrete rate of efficiency of EU funds in a country. The scientific novelty of the current article could also be considered in this line, namely to give a clear methodology for assessing the effectiveness of European funds. The results of the current analysis could be a base for governmental decisions in concrete member states to improve their national systems for programming and implementing EU funds. Despite the fact that EU funds are the subject of various scientific research, the attention of the scholars still covers precise aspects (for instance, impact on small-medium enterprises (SME) development in a concrete region, the effect of training provided by the European Social Fund, etc.) and does not reveal the entire picture and methodology for assessing the impact of ESIF at a national level.

## 2. Literature Review

The effectiveness and efficiency of the EU are the focus of various scientific researches covering different spheres of policies, legislation, regulations, financial results, bank systems, etc. This attention is easily explicable, keeping in mind that the EU is one of the leading economic players on a global scale. In a more recent context, the variety of exploring the efficiency and effectiveness of the EU again is a leading feature for scholars.

For instance, the different kinds of European regulations and their effectiveness are developed in the context of water resources and agriculture activities (Wuijts, 2021), food policy regulation (Landwehr and Hartmann, 2020), EU data breach notification obligation (Nieuwesteeg and Faure, 2018) and EU bank regulatory framework (Benczur et al., 2017).

On the other hand, European efficiency has also been examined in various aspects, in recent years predominantly in terms of the environment and, more specifically, in the field of energy efficiency. Some of the researches present comparative analysis among member states based on different criteria (Malinauskaite et al., 2020; Bertoldi and Mosconi, 2020; Malinauskaite et al., 2019), while others explore comprehensively specific subjects, such as energy efficiency policy for buildings (Economidou et al., 2020; Economidou et al., 2020a; Camaras et al., 2020), or the relation between population habit of the population and its electricity consumption (Pais-Magalhaes et al., 2020). Bioenergy efficiency in EU member states is also an object of scholarly attention (Abdulwakil et al., 2020; Strapasson et al., 2020).

When we consider efficiency in the EU context, we could point out some different aspects of this term, such as efficiency in aquaculture production (Gutiérrez et al., 2020), policy planning and man-

agement of agriculture efficiency in EU countries (Toma et al., 2017) and the economic performance of companies (Löschel et al., 2019).

However, the importance of European funds and their impact on the development of EU member states is usually a subject of dynamic scientific exploration, which is logically because EU funds are the financial instruments for providing and implementing EU policy. Numerous studies have been dedicated to EU funds, covering their special features. For instance, some authors explore the complex relationship and intensity of interaction along the axis of EU funds, local opportunities and Euroscepticism (Crescenzi et al., 2020). Interesting research is focused on bribery, abuse of subsidies and corruption in EU programmes for the environment. The authors claim that corruption is one of the biggest difficulties and challenges facing the EU, including environmental programmes and special subsidies. They claim that political leaders and oligarchs across the bloc continue to misappropriate agricultural subsidies, particularly for their personal benefit (Teichmann, 2020). One possible solution in the fight against corruption is transparency, which must be obligatory for all stakeholders in all member states.

When we review the scientific literature in the specific field of EU funds, we must outline that there are also numerous studies exploring different characteristics in a concrete EU fund or programme. For instance, some authors have implemented a special methodology to reveal the optimal allocation coming from the European Cohesion Fund (ECF) (Dicharry et al., 2019). They have analysed data from different member states for a ten-year period in implementation programmes funded by the European ECF, based on Dicharry et al.'s analysis that indicates that the ECF should be concentrated on poor countries having a large population size, and where the ECF has a strong ability to promote economic growth (2019). Special attention to the European cohesion policy and specific interventions in terms of citizens' awareness are the subject of another research (Cunico et al., 2021). Other articles have explored the oldest EU funds: the European Social Fund (Pelucha et al., 2019) and the European Regional Fund (Agovino, 2019).

Probably, one of the major scientific focuses is on the different EU programmes. Here we could mark several interesting aspects, such as analysis of the planning and implementation of rural programmes (Andersson et al., 2017), the role of intermediary organisations in the context of sub-programmes (Pisani et al., 2020), developing relationships between Europe and Asia through the Erasmus Mundus (Guerrero-Pérez et al., 2020) and the role of the local authorities in the process of solid-waste recycling market using European 2020 Horizon Strategy (Expósito and Velasco, 2018) or specific initiative such as European SME Instrument on the EC Horizon 2020 (Mina et al., 2021).

Although there is a variety of research dedicated to EU funds and programmes, the scientific literature remains relatively modest when we consider the overall efficiency or different aspects of EU funds' efficiency. In recent years, we could point to the research elaborated by Gouveia, Henriques and Costa (Gouveia et al., 2021). They explored the efficiency of European funds in a specific context of SME competitiveness in different EU regions. After a comprehensive data analysis, they conclude that national inefficient programmes mainly need to reduce their dependence on EU co-funding to become efficient, whereas almost all inefficient regional programmes need to improve their capacity for execution (Gouveia et al., 2021). SME competitiveness developed with the financial support of EU programmes and funds is a subject of a study exploring the specific situation of this relation for SME in Danube delta, revealing through the help of "the three-dimensional impact of the absorption effects of European funds" (Bostan et al., 2019).

Particular national dimensions of assessment effectiveness in specific programmes in a concrete sector of the economy are developed by Pajewski et al. (2020). The authors present special aspects of agriculture and the environment in Poland. Almost in the same field of agriculture, but this time considering the situation in Romanian's rural areas, tourism and EU funds are explored by Galluzzo (2021).

In this specific context, the major goal of the present article is to reveal and analyse the added value of European funds and their effectiveness and efficiency on different national economies in the context

of sustainable development.

### 3. Materials and Methods

To reveal the real effectiveness and efficiency of EU funds and their impact on different national economies among member states, we used official data for the initial analysis. The specific methodology is presented in Figure 1. The first step is to collect official financial data from different units of the EC, covering two basic lines: budget data for ESIF programmes for selected member states of the EU in terms of their planning and budget data for ESIF programmes for selected member states in terms of their real implementation so far. The second step was to collect the same data from the national authorities to compare the level of real implementation and state of play. This comparison will allow us to understand whether there is a serious delay between national reporting of ESIF programme implementation and the Commission's results. In case of delay, further analysis will be made to understand whether this result is based on the systematic problem or whether it is due to the specific national characteristics for a concrete member state. The third and fourth steps are to collect and compare the data on the specific contributions that each member state has to provide to the EU budget. Since this information could be considered sensitive for the EU, we will try to find alternative but also official sources to collect basic information. This information is needed to assess the effectiveness and efficiency of ESIF at the concrete member-state level.

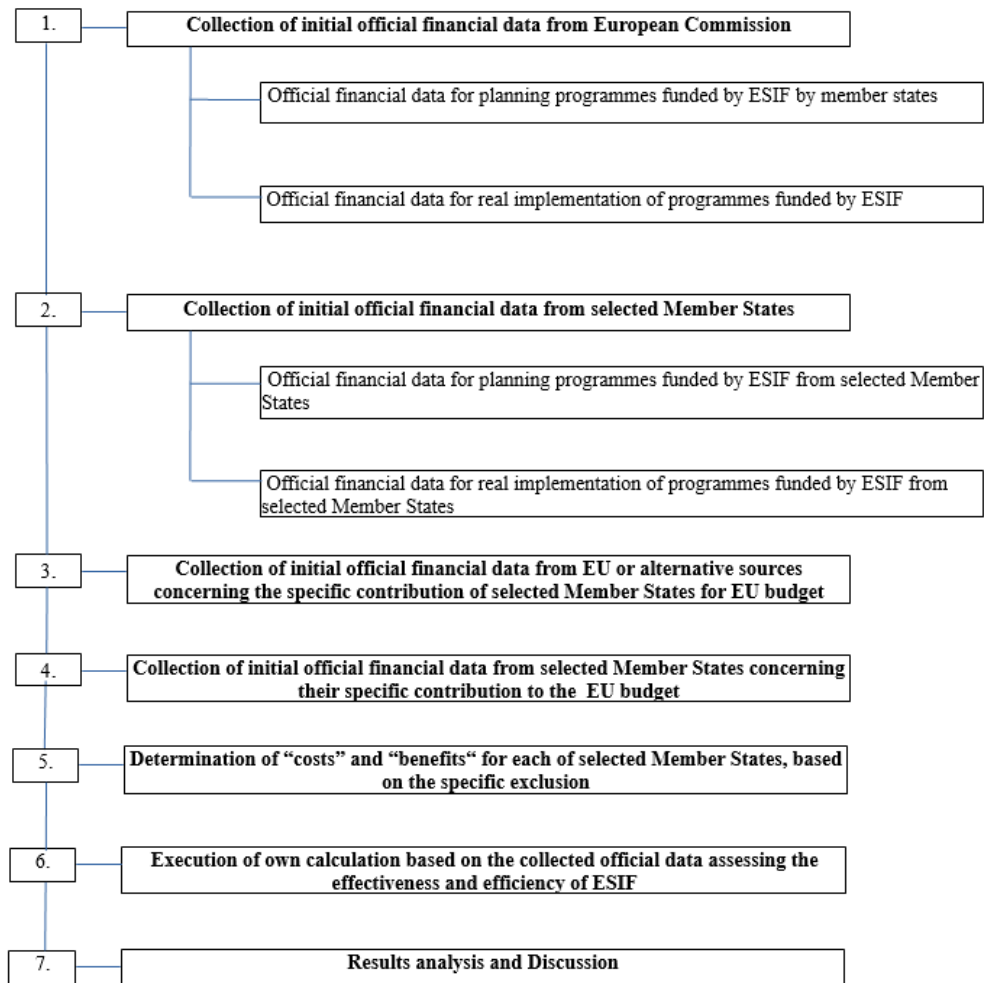
The fifth step of the methodology is to identify the costs and benefits of selected member states in terms of ESIF. For this purpose, we need detailed information on all programmes supported by ESIF in concrete member states with their financial allocation to the specific priority axes. In Bulgaria, such specific and at the same time official information could be found through the public module of the National Information System for the management and monitoring of EU funds in Bulgaria, which is a platform managed by the Central Coordination Unit within the Council of Ministers' Administration. In the process of calculating the benefits and costs here, we must make the following definitions and explanations, which will be applied in the research:

- For "costs" in this specific area, we will understand only the net contribution that each member state has to pay for its membership in the EU.

- For "benefits" in this specific area, we will understand the financial resources coming through the line of national or regional programmes, implemented at the national level and supported by European Structural and Cohesion Funds (ESIF).

From this initial "incomes," we will exclude from further calculation specific financial resources allocated for Technical Assistance Priority Axes of all programmes and co-financed support from the national funding of the programmes (which is 15% for ERDF and ESF and 20% for the Cohesion Fund). The reason for excluding finance under technical assistance is the following: usually technical assistance of one programme supports specific activities related to overall management of the programme typical for Managing Authority of the programme (programming, implementation, monitoring and control, internal audit activities, communication, publicity and transparency measures, training of employees in Managing Authority and Intermediate Body, etc.). In this research, we try to analyse and identify the pure effectiveness and efficiency of ESIF funds through the programmes implemented at the national level. The financial sources allocated to all technical assistance axes of the programmes are dedicated to supportive activities and therefore do not lead to a direct impact. In case of assuming that the rest of the measures and procedures planned within the other priority axes of the programmes are important and crucial for national development, the national government would have the possibility and administration for this in traditional institutions without forming, training and building the capacity of a specific new unit for this.

Based on the initial collected data and further calculations explained in the present methodology, we will be able to analyse the results.



**Figure 1.** Specific methodology of the research for assessing the effectiveness and efficiency of ESIF in selected EU member states.

Analysis of the collected data was made using the following scientific methods: deduction, comparative analysis and synthesis, and systematization.

#### 4. Results

The discussion concerning net contributors and beneficiaries among member states of the EU is a complex and difficult question for several reasons, including that different policies are executed through the help of numerous funds, specific financial instruments, initiatives, programmes, etc. and implemented on different levels (EU, national, transnational, cross border, regional, interregional, etc.). All the above-mentioned factors make it almost impossible to understand which country benefits from its membership and which ones are ‘net contributors’. Usually, this calculation is based on, on one side, the contribution for the EU budget of the member states and on the other, the total planned budget of the programmes, under which a member state is contracted under the Partnership Agreement for the concrete programming period.

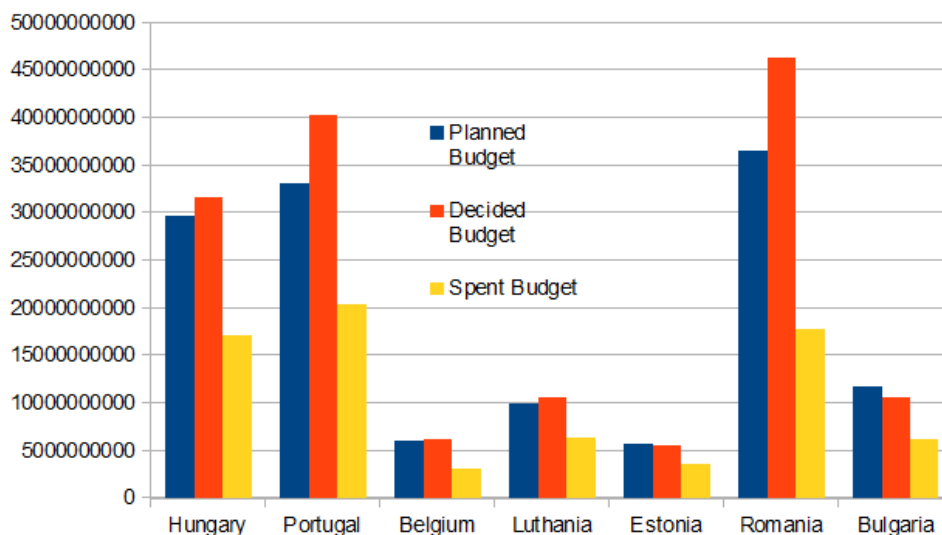
Nevertheless, there are various sources that expose which member states are beneficiaries and which are net contributors. For instance, according to the statistical information, based on the EC data for 2018<sup>1</sup>, there are 10 EU member states that could be considered as ‘net contributors’ for the EU budget, namely: Germany (+17,213 mln euro), the UK (+9,770 mln euro), France (+7,442 mln euro), Italy (+6,695 mln euro), The Netherlands (+4,877 mln euro), Sweden (+1,983 mln euro), Austria (+1,534

<sup>1</sup>European Commission, 2021. URL: <https://www.statista.com>

mln euro), Denmark (+ 1,468 mln euro), Finland (+679 mln euro) and Ireland (+542 mln euro). On the bottom of this rank, the places for the best five beneficiaries among member states of the EU are Poland (-11,632 mln euro), Hungary (-5,029 mln euro), Greece (-3,202 mln euro), Portugal (-3,316 mln euro) and Romania (-3,035). Bulgaria takes 11th place among beneficiary countries (-1,585 mln euro), four positions after Belgium (-2,590 mln euro) and two positions after Luxembourg (-1,631 mln euro).

Having this as an informational starting point, we will explore in detail the implementation of ESIF programmes in selected member states, with a special focus on Bulgaria. For the present analysis, our focus will cover the following member states among the beneficiary countries: Hungary, Portugal, Belgium, Lithuania, Estonia and Romania. The reasons for choosing these countries are the following: Belgium was one of the countries at the very beginning of EU and is a good example of tradition in implementation of EU funds; Portugal is an example of well implementation of EU funds, including the Cohesion Fund; Hungary, Lithuania and Estonia are examples of countries part of the first big enlargement of EU, and Romania is a member state with the same expertise in EU funds as Bulgaria.

The next figure presents the progress achieved by these selected member states in the implementation of ESIF programmes.



**Figure 2.** ESIF 2014–2020: Implementation progress (total cost) for selected member states

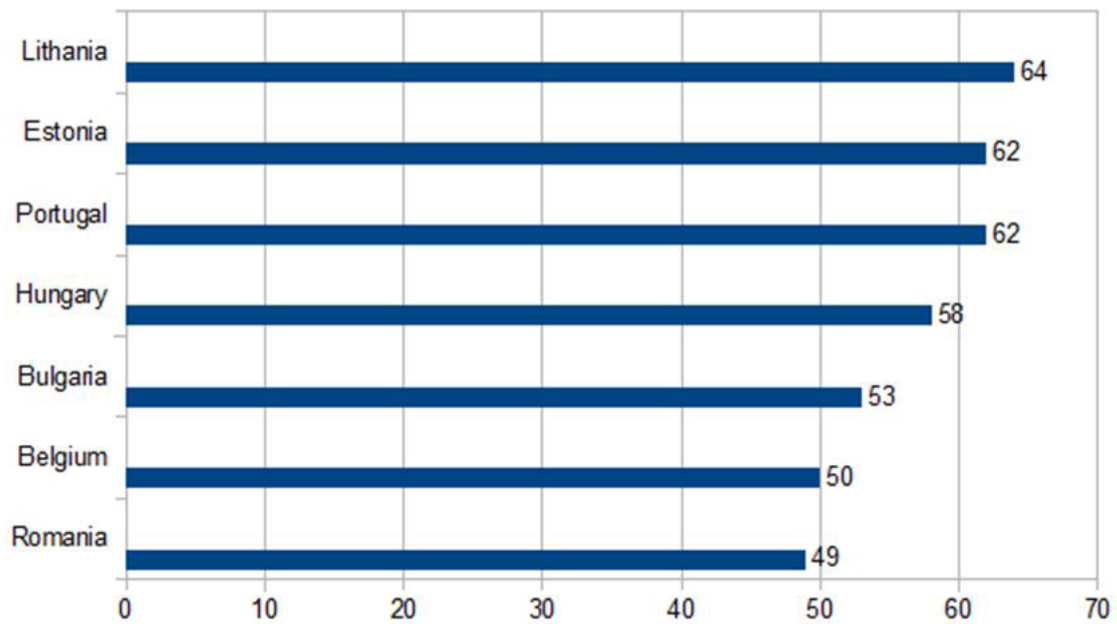
Source: EC, cumulative data per member state, as of 31.12.2020.2

As can be seen in Figure 2, there are obvious differences between member states in programming and the real implementation process of ESIF programmes. On the other hand, at the end of 2020, most had contracted more financial resources than the initial planning (Hungary, Portugal, Lithuania and Romania). This fact could be easily explained by the concrete efforts made by the managing authorities and the Central Coordination Unit of those member states to absorb all planned resources for the rest of the programming period. The other indicator that must be put on further exploration is the ratio between the planned and real spent budgets (Fig. 3).

According to this indicator, Lithuania takes the first position, with 64% implementation and real payments to the beneficiaries, followed by Estonia and Portugal, with 62% real financial implementation. Hungary holds the third position (58%), followed by Bulgaria (53%), Belgium (50%) and Romania (49%), which are at the bottom in this rank. This real financial implementation for a seven-year period could be considered relatively normal; there are no dramatic deviations or delays achieved by any of the selected member states. This opinion could be further supported by the additional data coming from EU member states such as France (66% implementation), Germany (62%) and Denmark (51%). The abso-

<sup>2</sup>European Commission, 2021, EU expenditure and revenue 2014-2020, [https://ec.europa.eu/budget/graphs/revenue\\_expenditure.html](https://ec.europa.eu/budget/graphs/revenue_expenditure.html)

lute leader in this specific ESIF programme implementation from all member states through the end of 2020 is Finland, with 82% of real payments to beneficiaries.

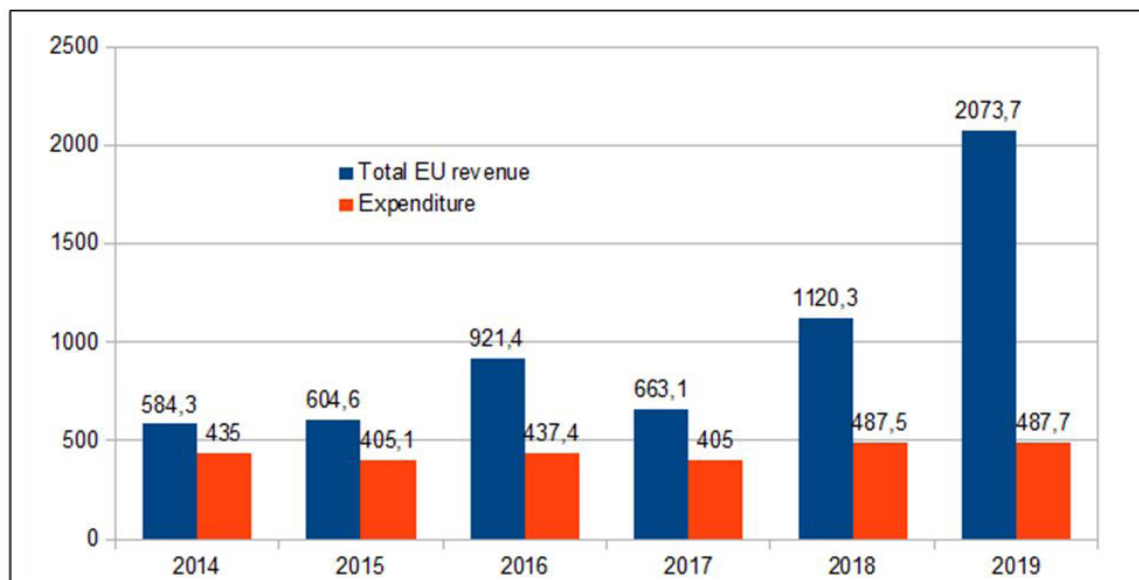


**Figure 3.** Achieved financial implementation progress of ESIF programme by member states.

Based on the ratio between planned and real spent budget

Source: EC, cumulative data as of 31.12.2020

To explore financial effectiveness on a national level, we must compare specific data for expenditures and revenue by country and year. Due to the limitations of the current study, we will explore only three of the initial selected countries: Hungary, Belgium and Romania.



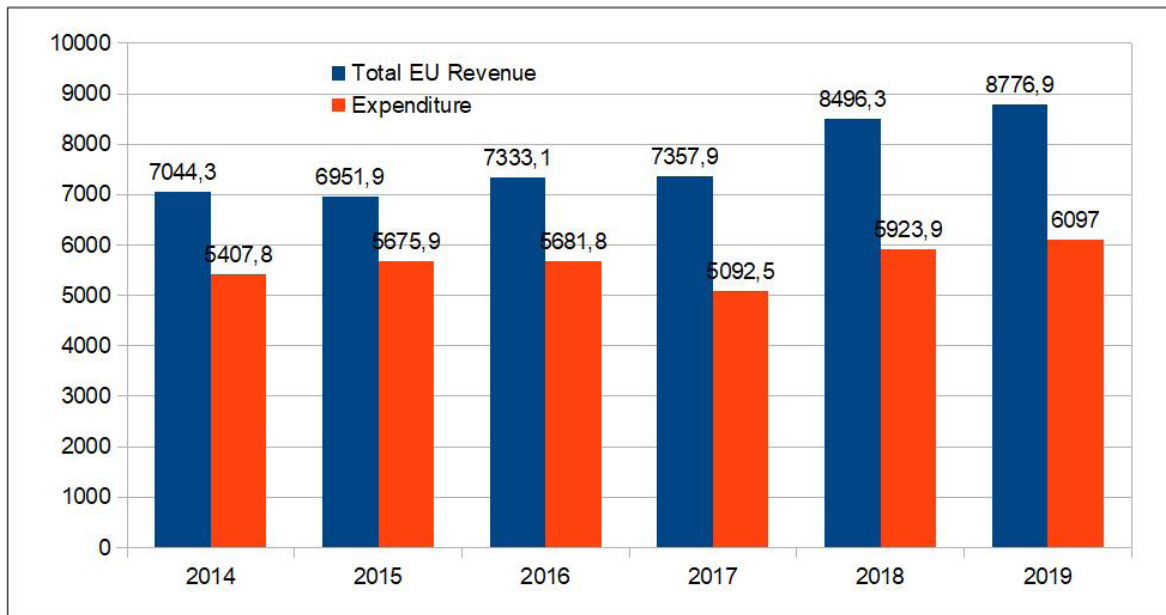
**Figure 4.** Financial implementation of EU programmes and funds in Hungary (EUR million)

Source: Based on EC data, 2020.

Specific data for the financial implementation of all EU funds and programmes in concrete EU member states are based on the EC data but converted to the point of view of the concrete member state. As can be seen from Figures 4, 5 and 6, our initially selected member states have different revenue and

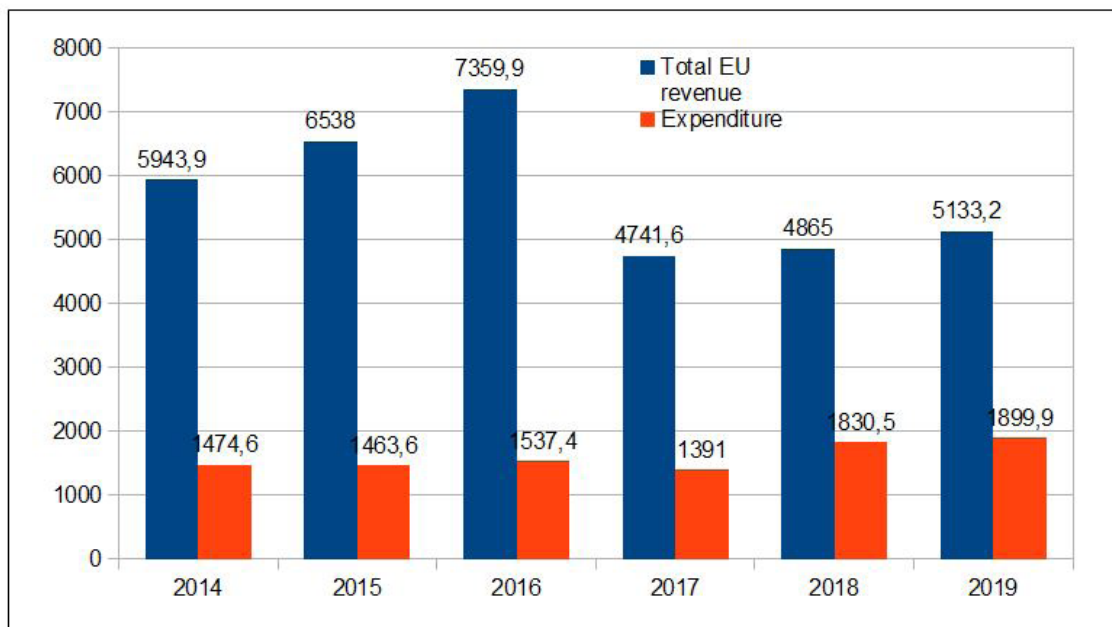


expenditures, which depends on the complexity of criteria, including the level of development of the country. Therefore, it is not surprising that Belgium has the smallest level of financial intensity in terms of revenue among the considered member states, and Romania possesses the biggest level of financial support coming from different EU programmes and funds.



**Figure 5.** Financial implementation of EU programmes and funds in Belgium (EUR million)

Source: Based on EC data, 2020.<sup>3</sup>



**Figure 6.** Financial implementation of EU programmes and funds in Romania (EUR million)

Source: Based on EC data, 2020.

However, we still need further information to understand the effectiveness of ESIF on concrete member states. Going directly to this specific problem, we must have reliable official data for the specific

<sup>3</sup>European Commission, 2021, EU expenditure and revenue 2014-2020, [https://ec.europa.eu/budget/graphs/revenue\\_expenditure.html](https://ec.europa.eu/budget/graphs/revenue_expenditure.html)

implementation of ESIF on a member-state level. For this purpose, our study will focus on Bulgaria, for which we have sufficient official information (from the public module of the National Information System for Management and Monitoring of EU Funds in Bulgaria–UMIS 2020, managed by the Central Coordination Unit within the Council of Ministers’ Administration).

Bulgaria implemented 10 programmes for the 2014–2020 programming period, supported by ESIF. Two of them, OP Transport and Transport Infrastructure and OP Environment, were financed by the Cohesion Fund (CF) and the European Regional Development Fund (ERDF). Programmes financed by the ERDF were OP Regions in Growth, OP Innovation and Competitiveness and OP SME Initiative. OP Science and Education for Smart Growth was financed by two European Funds: ERDF and the European Social Fund (ESF). ESF supported the following programmes in Bulgaria: OP Human Resource Development and OP Good Government. OP Maritime and Fishery was financed by the European Maritime and Fishery Fund, while the Rural Development Programme was financed by the European Agriculture Fund for Rural Development.

To identify the real impact of all of these programmes at the national level, we will execute some calculations. First, from the lists of programmes, we will not include the OP Good Governance (with total budget of 280 469 249 euro, and ECF funding of 238 398 862 euro), since this programme has a precise scope, covering authorities from the national system of management EU funds and programmes. Here, in our study, we will try to reveal the direct effect of measures not supported activities. Following this line of basic considerations, we will focus only on the EU share of the programmes’ budget, and we will exclude from further calculation the specific budget of each programme coming for technical assistance (the reason for this remains the same—to reveal the real impact of EU ESIF programmes in Bulgaria). The results of these calculations are presented in Table 1.

**Table 1.** Programmes in Bulgaria supported by European Structural and Cohesion Funds (for the period 2014–2020) in euro

Source: Bulgarian Government<sup>4</sup>, UMIS Public 2021, author’s calculation

N	Name of the Programme	Total Budget	EU Funding	National Funding	Budget of Technical Assistance Priority Axis – EU funding	Final EU Incomes Planned Resources
1.	OP Transport and Transport Infrastructure	1 789 123 639	1 520 755 090	268 368 549	40 517 316	1 480 237 774
2.	OP Environment	1 734 666 074	1 474 466 161	260 199 913	40 406 026	1 434 060 134
3.	OP Regions in Growth	1 648 278 759	1 416 801 442	231 477 317	44 535 000	1 372 266 442
4.	OP Innovation and competitiveness	1 655 159 319	1 438 064 222	217 095 097	35 423 468	1 402 640 754
5.	OP Science and Education for Smart Growth	690 244 017	595 110 178	95 133 839	21 169 651	573 940 527
6.	OP Human Resource Development	1 402 709 811	1 237 800 270	164 909 541	22 529 428	1 215 270 842
7.	OP SME Initiative	102 000 000	102 000 000	0	0	102 000 000
8.	OP Maritime and Fisheries	104 287 847	80 774 373	23 513 474	4 124 937	76 649 436
9.	Rural Development Programme	3 068 046 674	2 487 658 748	580 387 926	39 716 320	2 447 942 428

As a result, in the last column of Table 1 we have Final EU incomes planned resources under each ESIF programme in Bulgaria, which was obtained following the algorithm:

<sup>4</sup>Bulgarian Government, 2021. Information system for Management and Monitoring of EU Funds in Bulgaria 2020, <http://2020.eufunds.bg/en>

**Final EU incomes planned resources** = total budget of programme – national funding – budget of the Priority Axis Technical Assistance (EU contribution)

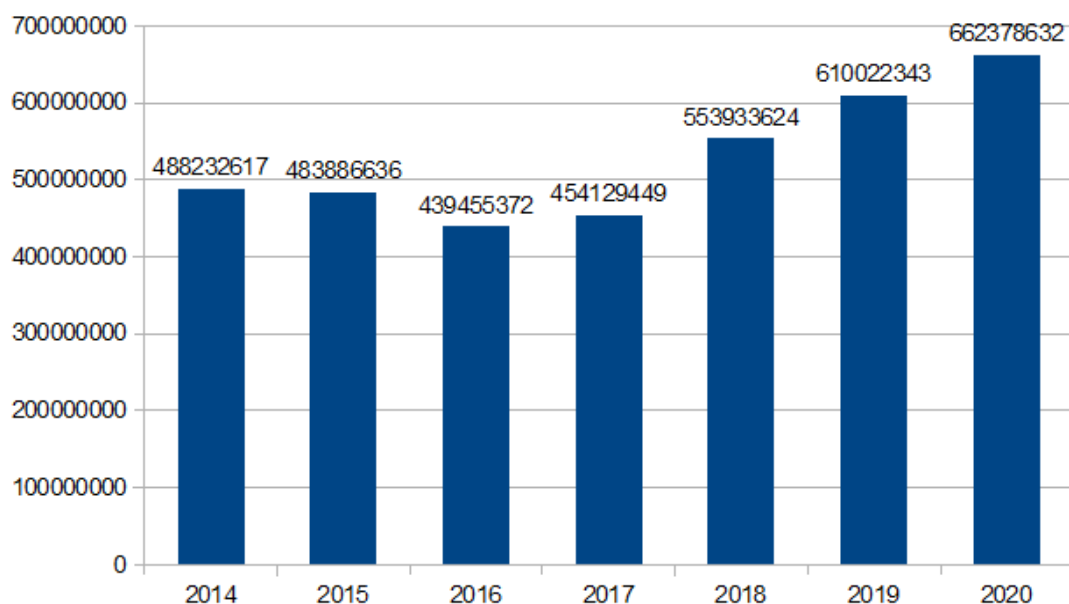
**Table 2.** Implementation and state of play of programmes in Bulgaria supported by European Structural and Cohesion Funds (for the period 2014–2020) in euro, actual data from March 2021

Source: Bulgarian Government, UMIS public, 2021, author’s calculation.

N	Name of the Programme	Total EU Funding	Final EU Incomes Planned Resources	State Of Play EU Contribution	
				Contracted Amounts	Actual Amounts Paid
1.	OP Transport and Transport Infrastructure	1 520 755 090	1 480 237 774	1 329 678 545	812 939 654
2.	OP Environment	1 734 666 074	1 434 060 134	1 638 478 188	1 081 889 866
3.	OP Regions in Growth	1 648 278 759	1 372 266 442	1 300 087 610	816 587 569
4.	OP Innovation and competitiveness	1 655 159 319	1 402 640 754	1 233 896 415	749 602 710
5.	OP Science and Education for Smart Growth	690 244 017	573 940 527	568 229 562	300 866 454
6.	OP Human Resource Development	1 402 709 811	1 215 270 842	1 153 707 060	756 206 436
7.	OP SME Initiative	102 000 000	102 000 000	102 000 000	102 000 000
8.	OP Maritime and Fisheries	104 287 847	76 649 436	68 328 422	27 514 395
9.	Rural Development Programme	3 068 046 674	2 447 942 428	439 649 557	41 239 479
Total		12 012 534 906	10 105 008 337	7 834 055 359	4 688 846 563

The next step was to calculate the progress achieved by each managing authority (MA) of the programme under all priority axes without technical assistance. For this purpose, we collected two types of data: the contracted budget between the MA and beneficiary and the actual amount paid, the resources that have reached the beneficiary. This is the final effect that we will try to compare as a direct real result to the national economy from ESIF programmes implemented at the Bulgarian national level.

For this purpose, we need to introduce only one additional indicator—the Bulgarian contribution to the EU budget—presented in Figure 7.

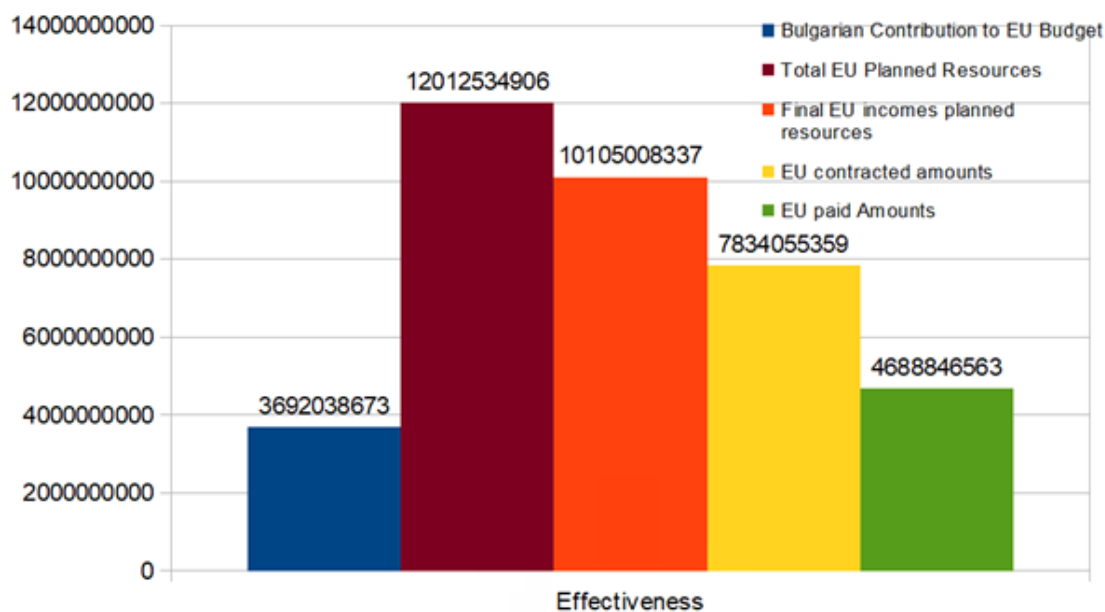


**Figure 7.** Bulgarian contribution to the EU budget by years, in euros.

Source: Bulgarian Ministry of Finance, 2020.<sup>5</sup>

<sup>5</sup>Bulgarian Ministry of Finance, 2021. URL: <https://www.minfin.bg/en/883>

Based on official data from the Bulgarian Ministry of Finance and additional calculations of the author, Bulgarian contribution to the EU budget for the period 2014–2020 is in total 3,692,038,673 euros. For the same period under partnership agreement, Bulgaria contracted 10 ESIF programmes with a total budget (EU share) of 12 012 534 906 euros. By March 2021, implementing ESIF programmes, Bulgaria has succeeded in contracting with beneficiaries a total budget of 7 834 055 359 euros (EU share), of which 4 688 846 563 euros (EU share) has already been paid to the beneficiaries. This comparison, graphically presented in Figure 8, will give us the level of the final effectiveness and efficiency of ESIF in Bulgaria, achieved by national authorities for the programming period 2014–2020 until March 2021.



**Figure 8.** Financial interactions between Bulgaria and EU for the period 2014-2020

As can be seen in the figure, the difference between Bulgarian contribution to the EU budget, presented in the first column of the figure and the real benefits (the last column) under ESIF programmes is not so impressive and serious even for Bulgaria as a typical member state, usually considered as a real beneficiary of the EU policies, programmes and funds.

#### 4. Discussion

Achieving sustainable development through the improvement of the effectiveness and efficiency of implementation of European Structural and Investments Funds at the national level is critical for some of the member states, including Bulgaria. The results from the current survey clearly indicate several critical points that have to be considered in terms of exploring the effectiveness and efficiency of programmes funded by ESIF at the national level. The first critical point is connected to the contracted budget under partnership agreement between the EU and member state. Although there are very clear rules and specific legislation concerning the level of financial support, as can be seen from data, member states with relatively same level of development, population and territorial area begin the programming period with different planned budgets for ESIF programmes (for instance, comparison between Hungary and Bulgaria). Therefore, apart from everything else, the strong negotiation skills of the governmental representatives in the process of programming the next programming period are necessary to obtain good starting results.

On the second place comes as a critical point the ability of MA and the entire national system for planning, implementation and management of EU funds to act flexibly and adaptively, with a strong focus on the beneficiaries’ needs and design different procedures with attention to the real needs of

potential beneficiaries. All these efforts must be directed towards fully absorbing and investing in the planned budget under ESIF programmes. Here, we must mention that good timing in implementing ESIF programmes is crucial, including in terms of optimizing the added value and real impact of the invested resources.

For a seven-year period, Bulgaria has succeeded in achieving a real impact of the economy's total investments of 996 807 890 euros, which is far from the initially planned resources (approximately 142 million euros per year). However, there is still time to complete the programming period of 2014–2020, but the timing and delay are obvious.

## 5. Conclusion

Bulgaria, as a member state of the European Union, came with the second wave of EU enlargement and could usually be considered a typical beneficiary country—less developed than the rest of the member states. On the other hand, in these complex times, when the pandemic brings about an economic crisis, achieving sustainable development, especially with the help of European funds, could be considered one of the major priorities for a national economy. ESIF programmes are dedicated to overcoming the differences between EU regions and therefore these programmes are the main instrument to implement this basic policy of the EU. Yet, despite the initial planned resources in the partnership agreement (signed between the EC and each member state), the Bulgarian authorities failed to sufficiently manage ESIF programmes in terms of achieving the best level of impact of invested resources. We analysed results achieved so far from Bulgaria and our analysis clearly shows that the Bulgarian management system of EU funds is not effective and has to be seriously improved to achieve a better ratio between contracted and spent/ invested resources. Therefore, the effectiveness and efficiency of ESIF programmes at the national level achieved by Bulgarian authorities could be considered insufficient and insignificant, especially in comparison to other member states. According to official data, the efforts made by all stakeholders thus far remain unnecessarily heavy and cumbersome compared to the added value they bring.

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