

BULGARIA'S UNDERCAPACITY PREVENTS ABSORPTION OF EU FUNDS

Published at: 23-01-2006

Source: REPORTER.GR



Lack of eligible projects, administrative undercapacity and lack of information may prevent Bulgaria from taking full advantage of EU funding, it was announced at a conference attended by representatives of business organisations, trade unions, the executive and the judiciary, "Dnevnik a.m." reports.

The event was held in connection with the second annual economic report 'Convergence and EU Funding' prepared for the president by experts from the Bulgarian National Bank, local universities and NGOs.

The efforts to catch up with the EU will widen the gap between the prosperous and the underdeveloped regions while the negative fallout from the accession will outlast the positive effects of the process, was one of the conclusions in the report that met with agreement among the participants.

One issue that split the experts was whether the funding should be channelled to the developed or the underdeveloped regions, a call that appears will have be made by the politicians.

There is even lack of consensus among the cabinet members.

Foreign minister Ivailo Kalfin said a balance will be sought between the poor and the rich regions while state administration minister Nikolai Vasilev said he favoured using the funds in the developed regions to achieve quicker economic growth.

The participants in the conference concurred that the deteriorating current account and foreign trade deficits and the subsequent insufficient output and export growth, high energy prices, the erosion of household savings and the sluggish growth in EU states, this country's biggest trade partners, are the main pitfalls ahead for Bulgaria's economy. There is also a substantial delay in infrastructure projects and in the structural reforms of health care, education and the pension system.