



PROGRAMME OF THE GOVERNMENT OF EUROPEAN INTEGRATION, ECONOMICAL GROWTH AND SOCIAL RESPONSIBILITY

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On 16th August 2005 with the support of the Coalition for Bulgaria, the National Movement Simeon II (NMSS) and the Movement for Rights and Freedom (MRF), the 40th National Assembly elected the Government of the Republic of Bulgaria. The Government was named "Government of European Integration, Economic Growth and Social Responsibility". Its basic priorities laid down in the political document signed by the coalition partners are the following:

- membership of the Republic of Bulgaria in the European Union ;
- raising the productivity and competitiveness of the Bulgarian economy – active policy of drawing closer to the European Union (EU) in respect of the basic parameters presented in the European Union's Growth and Jobs Strategy;
- higher quality of life of the Bulgarian citizens – active social policy tuned to the criteria and achievements of the EU;
- strengthening of Bulgarian national identity;
- in-depth reform of the judicial system;
- active and predictable foreign policy.

The Government programme further develops and specifies these priorities. It attests the resolute determination of the Bulgarian Government that by the end of its mandate in 2009 Bulgaria will be changed – it will not only enjoy membership in the European Union but will also be an active and respected member the European family. Our goal is to assure that after four years the Bulgarian economy will be better developed and the Bulgarian citizens closer to the living standards of the European Union.

We will pursue a social-liberal policy. It will ensure the setting up of a modern liberal economy and will guarantee a strong social commitment of the Governance. The three political forces, which constitute the coalition, took part in the elections separately. The Governmental programme reflects the balance and the combination of their commitments to the electorate. This makes it even stronger. We are convinced that this unique for the new history of Bulgaria coalition of socialists and liberals will deliver an irrefutable proof that in our country there could be a real coalition culture and unification around national priorities. In this way we will move closer to the practice of a number of European countries, where for many years coalition form of government has been preferred by the voters. Our ambition is to provide convincing proofs that the best way of protecting the national interests is not through confrontation, but through consistent and constructive policy where the parties may admit compromises and not give up their principles.

The Government programme should be viewed in the light of the National Development Plan for the period 2007 – 2013. The period, during which the Government of European integration, economic growth and social responsibility will work (2005 – 2009), coincides with years both before, and after the accession to the European Union. The programme envisages the necessary actions before membership, as well as those in the initial period after the accession, taking into account also the effect of the adopted financial framework of the European Union for Bulgaria for the period 2007 – 2009.

In this respect the programme takes into account not only the current state and the prospects for the Bulgarian economy, but also the tendencies, objectives and dynamics of the European Union. The Government programme complies with the strategic goals of the National Development Plan till 2013, namely:

- ▢ achieving and maintaining of high economic growth by a dynamic knowledge-based economy in accordance with the principles of sustainable development, and*
- ▢ raising the potential of human capital and achieving levels of employment, income and social integration providing high quality of life, as well as with its strategic priorities:*
 - ▢ improvement and development of the basic infrastructure;*
 - ▢ development of the human resources and improvement of the social infrastructure;*
 - ▢ raising the competitiveness of the Bulgarian economy;*
 - ▢ sustainable and balanced development of the regions;*
 - ▢ development of the rural areas and agriculture.*

The programme of the Government conforms also with the general framework of the policy, laid down in the agreement between the political forces forming the coalition:

- implementation of the Treaty concerning the accession of the Republic of Bulgaria to the European Union;*
- preservation of the currency board until Bulgaria's membership in the Euro zone;*
- Economic development in line with the criteria of the European Monetary Union (EMU);*
- Further cooperation with the International financial institutions.*

From an economic point of view the programme will lead to modernisation and development of a competitive knowledge- based economy and advanced technology. In its social aspect it will defend the principles of social justice and will contribute to raising the quality of life, solidarity, and care for our citizens in greatest need. The results, which will be achieved by this programme will correspond to the available possibilities and prospects for the country and those of the external environment. They will bring us closer to the achievement of the great goal of prosperity for the Bulgarian people.

The Government programme is an important, but not the only document on the future intentions of the Government. It should be considered together with the National Development Plan, with the laws of the state budget and the three-year budget framework, as well as with the strategies for the individual areas and domains adopted by the National Assembly.

The Government of the European integration, economic growth and social responsibility has developed its programme around certain priorities. These priorities fully comply with the national interests and with the European future of Bulgaria. We are not going back, we are looking forward. We expect from our opponents and from the representatives of the civil society a critical but constructive approach, that is not an end of itself, but offers new and reasonable alternatives. The Government is open to a continuous dialogue on the most important elements of its policy. At the same time, it is aware of the high public expectations; it accepts its responsibility and will work for the development and prosperity of Bulgaria.

1



Development, keeping up with the EU, increase in incomes and cohesion in the quality of life

Creating 240 thousand new jobs and continuous increase of the level of employment
Decrease of unemployment below 10%
More opportunities for disadvantaged people
More care for our children
Higher pensions



I. Development, keeping up with the EU, increase in incomes and cohesion in the quality of life

1. Establishing conditions for creating at least 240 thousand new jobs, which will lead to continuous increase of the level of employment and lasting decrease of unemployment below 10%. Effective control of labour conditions, working hours, prevention of exploitation of child and female labour. Decrease of taxation on corporate labour expenses.

Work creates conditions for security and full value life for every person. For the last years in Bulgaria was created a favourable environment for increasing the level of employment and development of the economy. The level of unemployment has been steadily decreasing, to reach 11,8% for the year 2004. Despite this fact there are still people in Bulgaria, who feel insecure about their job and the income they receive is insufficient for a decent living. The economic activity and the employment level of the population have been lower compared to the average values for the European Union. The Government has become aware of the fact that our country is facing a great challenge of upgrading the Bulgarian social model and rendering it in compliance with the EU acquis.

In the following years, the Government will lead an active policy of creating conditions for creating 240 thousand new jobs, continuous increase of the level of employment and overcoming the regional disparities, which will lead to a steady decrease of unemployment below 10%. Creating new jobs requires encouragement of the investment activity and stimulation of the small and medium enterprises (SMEs).

The Ministry of Labour and Social Policy undertakes the obligation by the end of year 2006 to direct more people to long-term and high quality employment by upgrading the motivating measures of the employers and development of employment programmes, taking into account the level of economic and social development of the regions of the country. Active job search will be stimulated - by unemployed social assisted persons and disabled people, through paying bonus for a term of one year, in case the individual himself finds his job. The Ministry will determine the basic reasons for passiveness of the persons outside the labour force and will develop a package of measures for their inclusion in the labour life.

In mid- and long- term the **Ministry of Labour and Social Policy** will work to compensate the insufficient jobs in specific regions and industries, to develop the network of job centres under the project JOBS in remote rural areas and regions with ethnically mixed population.

Application of diverse forms of employment and management of the working time will be expanded in order to increase the flexibility of the labour market. Jointly with the social partners, new regulations will be introduced for overcoming the obstacles to creating new jobs in the labour, social security and tax legislation in order to reach in the long term the goals contained in the European Employment Strategy and the European Union's Growth and Jobs Strategy (the Lisbon strategy).

The Ministry of State Administration and Administrative Reform will prepare amendments to the Law on the Civil Servant making provisions for permanent and temporary mobility of the servants, as well as opportunities for application of flexible working hours.

The Government, through the **Ministry of Labour and Social Policy** by the end of 2006 will ensure investments in projects and programmes for improving labour conditions and for protection of the labour and social rights of the workers. We will determine the jobs and

professions, subject to compulsory insurance against the risk of “accident at work” and we will put forward alternative solutions to help the employers providing health and safety at work.

In the longer term, the Ministry of Labour and Social Policy envisages development of the system “professional risk assessment” as a method of safety and health management during the labour process. The activities of the Ministry will focus on a proactive policy of prevention of the exploitation of child labour. We will work for limiting the “hidden economy” in the field of employment.

The policy of the Government will be directed towards raising the adaptation and mobility within the labour market.

2. Proactive policy of increasing the qualification and stimulating employment focusing on disadvantaged people at the labour market

The Government is aware of the fact that the basic challenges of the labour market are: the weak economic activity, the low level of employment and the quality characteristics of the human resource, lack of particular qualifications and skills, and the “hidden economy”. The quality of the labour force is insufficient to meet the challenges of the knowledge-based economy. We take into account the fact that the lack of education and professional training, as well as the low qualification skills are barriers to employment.

Facing these challenges, the Government will follow proactive policy of raising the qualification of the employed and unemployed persons and of encouraging employment. Special support will be provided to disadvantaged people for their equal access to public resources and sustainable integration in the labour market, in the economic, social and cultural life of the country.

The Ministry of Labour and Social Policy will create incentives for the employers to create new jobs for persons from disadvantaged groups. Jointly with the social partners, the Government will create an effective system for studying the employers needs of work force with particular qualifications, which will take into account the regional and industrial branch differences and will ensure a smoother transition from the education system to the labour market. We will continue the development of the National System for Vocational Training of Adults and will work on the creation of training methodologies for adults – employed and unemployed persons. We will provide training followed by employment to persons, who have been out of work for a long time. We will provide education and vocational training to young people, who have dropped out of the educational system. We will stimulate the creation of employment and income from work in the Roma communities by applying professional qualification training models, consultation services for starting/developing private business and access to micro-credits. With the participation of the State Agency of Information Technologies and Communications the National Programme for Computer Literacy through which citizens will be trained and retrained in computer skills and Internet and together with in foreign languages.

The integration of disadvantaged persons requires our support for the employers to create an accessible working environment and adapted work places. We will create a system of indicators for tracing the status and trends with respect to the equal opportunity issue and an integrated database for disabled people. All our actions will be presented in an Equal Opportunity Plan for Disabled People, for the period 2006 – 2007.

The Ministry of Labour and Social Policy will work with the social and economic partners and with other organisations of the civil society for creating equal opportunities for disabled people.

The Ministry of the State Administration and the Administrative Reform will encourage the integration of such citizens in the structures of the state administration.

3. Annual increase of labour incomes in respect of the growth of the gross domestic product (GDP), the price level stability, labour productivity and the competitiveness of the economy

One of the objectives of our Government is to improve the living standard and to ensure the well-being of the people in the country. We believe that the more stable and competitive the economy is, the more opportunities we will have, in order to raise the incomes of the people and to solve their social problems.

The Government will work on

- ▢ conducting a proactive dialogue with the social partners for increasing the incomes in the different branches and industries of the real economy, taking into account the inflation and at least a part of the labour productivity growth. We will work for creating conditions for increasing the work pay in the real economy, including by introducing minimum rates of pay per hour;
- ▢ increasing once a year the minimum salary for the country;
- ▢ expanding the scope of the collective bargaining on payment of labour at the level of industrial branches and companies;
- ▢ application of flexible forms of payment of labour, by amendments of the labour and social security legislation.

As a result of this policy we expect to turn the minimum salary, after binding it with the poverty level, into a state regulator of the labour market and to bind the payment of labour to inflation and growth of productivity.

4. Increasing the salaries within the budget sphere, related to the integration of Bulgaria into the European Union

A modern state Government today requires application of the principles of effectiveness and efficiency in all fields of the state activities. The Government will take measures to create a smaller but better skilled and qualified, and better paid state administration in the budget organisations. **The Ministry of Labour and Social Policy, the Ministry of Finance and the Ministry of the State Administration and the Administrative Reform** will propose flexible methods for financial stimulation of the civil servants and employees, who have shown exceptional achievements.

The proposed income policy in the budget area during the years 2007 – 2009 is based upon:

- ▢ application of a new, more effective approach to the determination of the volume of funds allocated for salaries. Introducing by stages the programme budgeting is the first step in this direction, because it is oriented directly to the final result, but not to particular economic parameters, salaries included;
- ▢ growth of salaries in the budget area, bound to the growth of the GDP and the inflation, providing for a strong and competitive economy, high economic growth and stable macroeconomic environment;
- ▢ preservation of the method of increase of work salary funds in trade companies with state or municipal capital share exceeding 50 %.

The Ministry of the State Administration and the Administrative Reform:

- ▢ will create administrative capacity for the implementation of integrated standards, ensuring impartiality and transparency in the application of the performance based payroll system
- ▢ will develop and introduce a flexible centralized payroll system of the whole state administration, including bonus plans, part-time pay, etc.

5. Ensuring sustainable growth of pensions. Gradual growth of pensions with respect to the fiscal resources. Creation of an investment fund ("Silver") for financial support of the first pillar of the pension system. Providing more fair and flexible forms of participation in the pension system

Social responsibility of every Government is to take care of the people beyond working age. Our Government will guarantee the peace and security of people beyond working age by directing its efforts to the growth of pensions and reducing the risk of poverty for the elderly. We will support the process of modernising the pension system, keeping pace with the economic growth, the increasing of employment and people's incomes. The Government will work for ensuring sustainable growth of pensions, by changing the mechanisms of pension updating, taking into account the inflation for the respective year and the increase of the individual income levels for the purpose of determination of the social security deductions. Pension increase will be determined yearly in compliance with the available fiscal resources. The Government, in cooperation with the National Social Security Institute and the social partners will work for a fairer and adequate determination of the personal contributions to the social security funds to reduce the disparities between individuals in different labour conditions.

With the broad participation of the social and economic partners, the Government, by the end of 2006, will work for establishing a demographic investment fund "Silver", which will contribute for increasing the financial stability of the pension system. We will continue the reform of the system for defining pensions, which are not related to labour activity (social pensions for invalidity and old-age).

Our Government commits itself to ensuring a real application of the principles of solidarity and social justice in the Bulgarian legislation for transforming it to comply with the good practices and standards of the European Union in the field of the pension system. We will develop procedures for more flexible forms of participation in the pension system. By the end of our mandate, we will work for strengthening the second and third pillar, through developing economic incentives. As a result of this policy we will provide conditions for achieving the objectives of the European Union's Growth and Jobs Strategy for adequate pensions, financial stability of the pension system and its updating in response to the changing needs of the economy, the society and the individuals.

6. Updating annually the poverty line in Bulgaria in compliance with the practices in the European Union

Our country still has no officially adopted poverty line, which could serve as an objective reference in determining of the amounts of income of the population, which are guaranteed and protected by the state – the guaranteed minimum income for the purpose of social support, social pension, the minimum wages (salary) for the country and other protected minimum income of the population. **The Ministry of Labour and Social Policy will work for:**

— overcoming poverty by adopting through legislation an official poverty line and implementing it as a basic parameter of the systems for social security and protection of incomes and living standards of the population;

— binding the poverty line with the minimum guaranteed payments for the purpose of social assistance, the minimum salary and the social pension;

— pursuing a consistent state policy for approximation of the guaranteed minimum payments to the methods, standards and criteria of the European Union.

The Government will implement and pursue the state policy with the participation of the social partners. In cooperation with them, we will develop a methodology for determination of the poverty line and will consider the guaranteed minimum protected income values with reference to it. In the long-term we expect to achieve levels and standards for overcoming poverty in accordance with those of the European Union.

7. Priority assistance to families with children. Financial assistance from budget sources for meeting baby day-care and kindergarten expenses to families with children meeting the criteria for social assistance

The Government will support families and parents with children meeting the criteria of social assistance. We believe that in this way we will help families with low income by guaranteeing the education of their children and their social integration. In the short term the Government considers implementing a pilot project through the **Ministry of Labour and Social Policy** of paying by the state budget the baby day-care and kindergarten fees of these families. The programme will commence in the whole country by the end of 2006, and will encompass the respective families with children. Family relief funds will be made available with the relief amounts being updated on a yearly basis.

The Government will develop the policy of effective allocating the social assistance to the lowest income and most risky groups of the population, and will apply a diversified approach in supporting the vulnerable groups of the population and persons with the worst status. The lowest income and poorest people will be provided with target- social protection for heating their homes.

The procedure of “working off the monthly social assistance”, which has already been implemented for persons of working age, will be further developed. The quality of the provided social services and the living conditions in the specialised institutions will be improved by creating incentives for the provision of alternative social services (home care, community services, etc.).

The Government will take combined measures for protection of children, prevention of child abandonment, reduction of the number of children brought up in specialised institutions, of the homeless and begging children, by coordinating the activities of all institutions. We will ensure support for the foster families by providing specialised training to them.

8. Preserving the progressive taxation of incomes, preserving the existing tax brackets on income and reducing their number. Introduction in full of family income taxation.

The Government will direct the taxation policy in support of the fulfilment of its social commitments to society. We will preserve the progressive income taxation. During 2006 we will seek with priority possibilities to reduce the tax levels, corresponding to low and medium salary income. The progressive taxation creates conditions for a lower tax burden of the middle class,

which constitutes the backbone of the economy and is a key factor in respect of the social responsibility to the lowest income groups of the population.

We plan to introduce in a phased manner the family income taxation from the year 2007 with the aim of improving the living standard of the people and the demographic processes in the country.

9. Adoption of a national programme for limiting the negative consequences of the demographic crisis

Solving the problems of the high death rate, the reproduction and the aging of the population, the low birth rate needs immediate action. During the last years in Bulgaria there exists a steady tendency of worsening the demographic status of the population. We are lagging considerably behind the European Union with respect to the average values of the corresponding parameters.

The Ministry of Health will develop a National Programme of Promotion of Health and Disease Prophylactics and will introduce monitoring of the health status of the population. The Ministry will work for the reduction of child death rate, HIV/AIDS prevention among the junior and young people and improvement of women's health in their fertile age. Special programmes for long-term training of GPs will address the issues of reproductive health.

We will restore the system of school healthcare and will introduce a system of national monitoring of students health as part of the national programme of health promotion. We will ensure improved access to health care services for the population of remote locations.

The Government will stimulate the birth of a second child in the family by providing family benefits and will pay part of the home loans of young families if, within a period of five years after marriage, they have two children, which are being brought up in the family. We will guarantee these relieves with a draft law for transferring part of the home loan of a young family to the state. We will provide support for the two children family model by giving bigger one-time relief for the birth of a second child. Towards the end of the mandate, in cooperation with the social partners and the civil society we will modernise the system of monthly benefit payments for bringing up children until they finish high school.

Young people at working age will receive special support. In this way we will try to diminish emigration and create conditions for their professional realisation in Bulgaria, and for returning to Bulgaria of university graduates, receiving their education abroad.

With coordinated and complex actions the Government will create conditions for transforming the social payments into social investments in the family and children.

10. Reform of the basic sectors providing public services and increasing the effectiveness of the expenditure in these sectors

In order to meet the raised requirements of the Bulgarian economy and the keeping-up with the EU economic development we commit ourselves to ensure the reform of the basic sectors and to increase the effectiveness of the expenditures for infrastructure, education, healthcare and culture. The growth of expenditures will be tied up to programme budgeting and proposing effective programmes for improving the quality of education and healthcare. Similar policy will be implemented with respect to the infrastructure and culture. The private sector entrance into these areas will be stimulated.

11. Integration of minorities and improving the ethnic model in the civil society

In line with the policy of preserving the ethnic, religious and cultural individuality an important priority of the Government will be the social inclusion and sustainable integration of the minorities in Bulgarian society, by participation of their representatives in the economic, social, political and cultural life. The accomplishment of this objective is directly related to attracting and involving representatives of the minorities in the decision-making processes, the preparation and implementation of national and regional development strategies, especially those related to the ethnic communities.

In order to achieve long lasting effects in the process of integration of minorities, the Roma minority in particular, the Government will aim at providing quality education to all representatives of the ethnic minorities by providing possibilities for the inclusion of e.g. Roma children in classes with pupils of the majority ethnic group, by semi-boarding school education of Roma children, by upgrading the school facilities and delivery of computer equipment for computer classes.

The Government, in cooperation with the municipalities will take special measures for improvement of the living conditions and creation of the social infrastructure in regions with predominantly minority population. These measures will include drawing up and filling in of cadastral maps and plans, drawing up of detailed municipal layout plans, clarification, in the shortest possible time, of the land ownership and the illegal construction status in the districts with Roma population, land-settlement and/or granting the right of free use of municipal or state land to Roma people, who have applied for that and, where appropriate, making adequate amendments of the legislations.

To overcome unemployment the liberal principles of equal opportunity employment should be introduced for competitiveness on the labour market in the context of the specific state policy towards the regions with mixed population.

The Government will oppose any display of ethnic and religious intolerance, any attempt for ethnic confrontation not only from the point of view of observing the domestic public order, but with the objective of upgrading the Bulgarian ethnic model as a convertible product of the Bulgarian civil society.

In order to achieve the objectives of the programme the policy of the Bulgarian Government will be pursued in active dialogue with the social and economic partners and the Government will conclude a pact for the economic and social development of the country for the period till the end of year 2009.

2



Maintaining a sustainable economic growth, stimulating the private initiative and continuing the processes of privatisation, concessions, development of public - private partnership

Stable and foreseeing macroeconomical environment

Immediate entry into currency mechanism II after accession to the European Union

Effective public expenditures and more liberty for private initiative

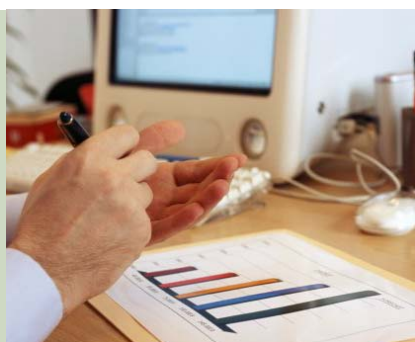
Less debt burden for the future generations

Better bussines climate

Accessible financial resource on transperant, secured and modernized capital market

II. Maintaining a sustainable economic growth, stimulating the private initiative and continuing the processes of privatisation, concessions, development of public - private partnership

We believe that the economic development of the country is the only way to increase the living standard of the population. In order to guarantee adequate life to every Bulgarian citizen in a democratic country, during the next four years we will work to maintain a high and stable economic growth. We will develop the information society and we will implement with priority the information and communication technologies in all spheres of society, which will facilitate catching up with the income levels, living standards and quality of life of the European countries. We consider this priority as an opportunity and our duty at the same time. We are aware that by providing and guaranteeing financial stability people will feel more secure about their future and the entrepreneurs will operate in a predictable environment facilitating taking management decisions. With a stable economy the Government will have at its disposal many more options and opportunities to resolve the substantial social and public issues by pursuing its policy without displacing the private sector.



II.1. Conditions for high and sustainable economic growth of 6 – 8 % per annum

During the last years Bulgaria achieved macroeconomic stability reflected in the high and stable rate of economic growth, maintaining of broadly balanced budgets and financial stability. With the aim of reaching a high growth rate of the GDP the coalition government will continue working on:

- ▢ maintaining a stable and predictable macroeconomic environment and stability of public finances;
- ▢ maintaining the level of the state and state-guaranteed debt in its quantitative and qualitative aspects, guaranteeing fiscal stability and compliance with the Maastricht criteria;
- ▢ optimisation and development of the tax insurance system.
- ▢ support for the development of the capital market;
- ▢ stimulation of the basic factors for growth: investment, export and innovations.

1. Maintaining a stable and predictable macroeconomic environment and stability of public finances

The Government is aware of the fact that for maintaining macroeconomic stability we need to pursue a reasonable and flexible fiscal policy and to optimise the budgeting process. Bulgaria will achieve this by:

- ▢ immediate entry into currency mechanism II after the European Union accession;

- maintaining of a balanced budget;
- redistribution of up to 40 % of the gross domestic product (GDP) through the budget;
- introducing the programme approach to budgeting, encompassing at this stage all first level budget spending credit units (the municipalities not included).

The preservation of the system of currency board until the accession of the country to the Eurozone as a unilateral commitment will play a decisive role for maintaining the existing macroeconomic stability.

The Bulgarian Government will pursue a prudent fiscal policy based on increased collection of the incomes and effective spending of the taxpayer's resources, directed to key areas and priorities.

The limitation of the redistribution functions of the budget to 40 % of the GDP will reduce the state intervention in the economy and will develop the private initiative. At the same time, with the help of the budget the Government will be able to intervene in areas where the private interest is not sufficiently justified and effectiveness cannot be achieved.

We will ensure support for the already achieved macroeconomic stability, as well as for the creation of conditions for effective management and stability of the public finances, by increasing the coordination and organisation of the current implementation of the consolidated state budget within the framework of the approved by the annual acts parameters. We will aim at improving the effectiveness of the financing mechanisms in the sectors providing public services. By pursuing such policy we will achieve rhythmic financing of the state expenditures, predictability and flexibility of the budget implementation and precise assessment of the fiscal risk.

The Government will put real efforts in the introduction of the multi-year programme budgeting. Its introduction will lead to consistency in defining the directions and the coordination of the budget planning. The Government is aware of the fact that the multi-year programme budgeting will allow us to prepare new normative acts or proposals for amendment of existing normative acts regulating the budget process in compliance with the best practices. As a result of this we expect the mid-term fiscal framework to be stable over time, the budget process – to be optimised, and legislation – to be improved.

2. Maintaining the level of the state and state-guaranteed debt in its quantitative and qualitative aspects, providing for fiscal stability and implementation of the Maastricht criteria

We set as our target the effective management of the state debt by adopting a straightforward and consistent strategy. We consider that such type of management will contribute to diminishing the risks to the budget of administering the debt. At the same time keeping a broadly balanced budget will limit the need of incurring a new debt. Such policy is in support of the economic growth and the improvement of the business environment in the country as a whole by creating guarantees for preserving the macroeconomic stability.

The Bulgarian Government will work for providing external funding, adequate to the priorities and needs. The development and implementation of programmes and strategies for cooperation with the international financial institutions will be directed to negotiating most favourable terms of financing. In this way, a better positioning of the country with respect to the international financial institutions will be achieved.

We plan to follow a restrictive approach in the financing of public projects with state or state guaranteed loans and to maintaining a balanced interest and currency structure of the debt.

In this way we shall work towards compliance with the Maastricht criteria, which will lead to the gradual introduction of the euro.

3. Optimising of the tax - insurance system

The Government will pursue a tax policy in support of economic growth. We will work to improve the collection of tax incomes and social security payments. This activity, on its part, will give rise to an opportunity for reducing the total tax and social security burden on businesses and households. With the beginning of the functioning of the National Revenue Agency starting from the year 2006 the control functions with reference to taxable and insured persons will be unified and facilitated. In view of its effective operation we will pay particular attention to accomplishing the timely structural transformation and to ensuring its staff stability.

The Government will develop effective incentives for the employers to invest in human resource, environment protection and in improving work conditions in compliance with the practices, mechanisms and requirements of the European Union.

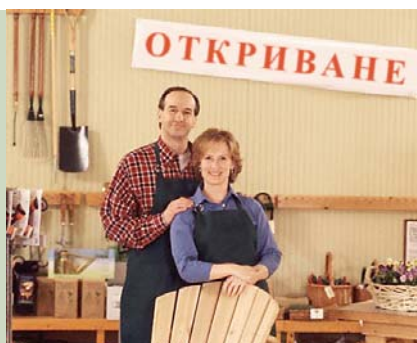
The consistent policy pursued by the Government of decreasing the social security burden will contribute to creating more favourable conditions for business, to promoting creation of new jobs and to diminishing the share of the "hidden economy". As a result of the governmental policy the financial stability of the first pillar of the pension insurance system will be increased and in this way the common goal of maintaining stability of public finances will be achieved indirectly.

The Government commits itself to preserving the maximum rate of corporate taxes at the present level.

4. Support for the development of the capital market

The Government is aware of the fact that Bulgaria has the potential for additional growth and development of the capital market to facilitate access to financial resources. Within a functioning market economy we will support the development of the capital market by improvement of the technical and regulatory mechanisms to ensure transparency and security, modernisation of the stock exchange and increasing the share of the volumes traded there.

In this way we will stimulate the development of the potential of the private sector, which will gain access to more and more diverse financial instruments for raising capital or for hedging of the existing risk. Thus the financial status of the private sector will improve, and an incentive will be created for the growth of employment and the improvement of the quality of the manufactured Bulgarian products. The increase of the competitiveness of the Bulgarian entrepreneurs is the basis for keeping a high and sustainable economic growth.



II.2. Development of the market economy based on the competition principles

For the normal functioning of the market economy and raising the living standard it is necessary to maintain a favourable business environment, to build a modern infrastructure and to stimulate investments.

1. Ongoing liberalisation and demonopolisation of the economy

Since 2002 and up to the present moment 45 % of the administrative regimes for regulating business activities under the control of the central administration have been revoked or facilitated. The Bulgarian government will carry on pursuing the policy of liberalisation and demonopolisation of the economy. The Government commits itself to apply the principles of transparency, openness and accessibility in holding tenders and public procurement.

The Ministry of Economy and Energy, the Ministry of the State Administration and the Administrative reform and the Ministry of Finance will pursue in coordination a policy of improvement of the business environment, reduction of the regulatory expenditures for doing business in the Republic of Bulgaria, introduction of limited administrative regulation and improvement of the quality of administrative services. The concrete actions in this direction include:

- ▢ reduction and optimisation of licensing, permit and registration regimes on the basis of an expert research and partnership with representatives of the business;
- ▢ drawing up preliminary and subsequent annual analyses of the effect of the normative impact on the business environment;
- ▢ ensuring current monitoring of the indices of business climate and developing the corresponding normative changes directed to its improvement;
- ▢ ensuring equality and transparency in the system of public procurement and active counteraction to corruption, creation of an anti-corruption environment including setting up an electronic public procurement system within the framework of the e-government.

The commitments about liberalisation and competition in the Energy sector are based upon:

finalisation of already started and future projects for rehabilitation and construction of electricity generating facilities;

- ▢ increasing the share of ecologically pure energy in the energy balance of the country by the introduction an adequate system of incentives for the energy production by hydro

power plants. For this purpose, a trade system with green certificates will be introduced, which will replace the existing system of preferential pricing;

- ▢ accelerated introduction of the home gasification, through development of the gas-mains network by simultaneously implementing a liberal commercial model;

- ▢ improvement of the coordination and stimulation of investments for the implementation of programmes of raising the energy effectiveness at national, regional and local level;

- ▢ accelerated introduction of the Green Investment Scheme as a factor for stimulation of investments in energy saving, ecological and renewable energy technologies and introduction of the principles of sustainable development of the territories.

The Ministry of Environment and Waters will continue its activities related to the granting of permits for prospecting for mineral resources on the competition principle and will exercise effective control on these activities.

The Ministry of Finance will work for improvement of the business climate in the country by creating and guaranteeing equal conditions for all participants in the economic turnover with respect to financial discipline. The principle objectives and activities of the Ministry of Finance in this field will be directed to:

- ▢ increasing the effectiveness of customs duty collection and other state receivables by intensified control over the taxation components, raising of fiscal culture by stimulating the voluntary payments and strengthening the counteraction against fraud and smuggling;

- ▢ increasing the effectiveness of compulsory collection of state receivables, which have not been paid voluntarily, by improving the legal framework regulating the compulsory collection of state receipts and improvement and automation of the internal work processes; optimisation of the interaction between the State Receivables Collection Agency and the public claimants, and between the State Receivables Collection Agency and the bodies of the Ministry of Interior.

2. Policy of stimulation of export and stimulation of small and medium enterprises (SMEs)

We commit ourselves to undertake actions for raising the competitiveness of the manufacturing sector on the basis of vital enterprises taking into account the obligations assumed by us under the international agreements.

2.1. Favourable conditions for the development of a sustainable and competitive sector of the SME and its gradual integration in the Single European market

Bulgarian SMEs are still lagging behind in respect of the labour productivity and the introduction of new technologies, which decreases their competitiveness on the international markets. The market of business services oriented towards SMEs is also in an initial phase. Despite the serious problems the small and medium enterprises demonstrate a significant potential for development and play a decisive role in providing employment. The efforts of the Government will be focused on stimulating the innovation activity of the SMEs and facilitating their access to international markets by providing them with information about these markets.

The Ministry of Economy and Energy jointly with **the State Agency of Information Technologies and Communications** will direct its efforts in the following areas:

- stimulation of small and medium enterprises with high innovation capacity;
- providing consultations and financial support to SMEs for the achievement of compliance with the standards and requirements of the European Union in the area of manufacturing, management and quality of production, as well as consulting support in the area of industrial property;
- support for linking the small and medium enterprises into networks and clusters;
- support for the implementation of information technologies in the enterprises;
- support for the introduction of energy saving and ecological technologies, manufacturing processes and products;
- encouragement of the entry of entrepreneurial disciplines in Bulgarian schools and universities in cooperation with the Ministry of Education and Science;
- creation of an optimal environment for providing administrative services and information to SMEs.

2.2. Competitive presence on foreign markets and diversification of the structure of Bulgarian export

The stimulation of foreign demand presupposes measures for direct encouragement of the export of Bulgarian enterprises by facilitating their access to international markets, putting efforts in raising the image of Bulgaria as an important commercial partner and renewal and expansion of the presence of the country on traditional markets.

The Ministry of Economy and Energy will engage in:

- developing a National Export Strategy;
- setting up a system of indices for monitoring of the competitiveness of the Bulgarian economy;
- recovery and expansion of the positions of Bulgaria on traditional markets by activating the operation of the economic advisors abroad and close linking of their appraisal with the achieved results. Opening of new commercial and trade representative offices and optimising of the existing ones, regular initiating and organising of business missions in Bulgaria and abroad;
- reduction of the expenditure on deals related to export and customs procedures, the transport, certification and information infrastructure, etc.
- further expansion of the opportunities for the Bulgarian export of goods and services as a result of the current round of the multilateral commercial negotiations in the World Trade Organisation (WTO) and the negotiations with the new countries joining the WTO;

- intensification of the cooperation with the Organisation for Economic Cooperation and Development (OECD) and participation of Bulgaria as observer in the committees and working groups of OECD;

- protection of the interests of the Bulgarian entrepreneurs in the discussing of acts and positions on commercial matters in the European Union;

- preparation of positions and ensuring their coordination with the representatives of the Bulgarian industrial branch organisations and associations for improvement of the access of Bulgarian goods and services to markets in third countries.

The Ministry of Transport will pursue a policy directed to effective transport and logistic support of the Bulgarian export and will get involved in:

- stimulation of the positive development of dispatching;
- improvement of the interaction of the different types of transport in ports facilities, airports and border checkpoints as well as with the customs offices;
- construction and operation of an intermodal transport terminal in Sofia;
- improvement of the transport infrastructure.

3. Active investment programme for building a modern infrastructure – by financing from the private sector, the state budget and the pre-accession funds, the Structural funds and the Cohesion fund of the European Union

We are aware that the realisation of this priority is directly connected with raising the competitiveness of the Bulgarian economy and it requires improvement of the investment climate and attraction of investments, with the presumption of improvement of the economic conditions for a more complete and effective utilisation of the existing national advantages and the developed technical, manufacturing and human potential.

The development and modernisation of the systems of the technical infrastructure and the services it offers to the e-government complying with the European quality standards are considered as a mandatory prerequisite for high and sustainable economic growth. A National Strategy for the Development of the Infrastructure in the Republic of Bulgaria until the year 2015 will be developed with the aim of clear definition of the vision, objectives and priorities on the basis of the forthcoming changes in the process of integration of the country in the European Union. A detailed Action Plan and responsibilities will be developed with an actual and large-scale investment programme to support the economic growth and prosperity of the country.

We undertake to direct our efforts to:

- develop the information society by creating a single infrastructure for high-speed electronic communications and introducing information and communication technologies in all areas of social life;

- increase the quality and improve the transport infrastructure – modernisation and renovation of the railway and road transport infrastructure, modernisation of port facilities and airports infrastructure;

- encourage the completion and maintenance of the municipal transport network;

- active work for the construction of the national highway network with the view to connecting it with the European transport corridors;
- increase the effectiveness of the energy systems and the electronic communication infrastructure;
- ensure modern standards of water consumption through sparing usage of the scarce water resources, improvement of the effectiveness of the water supply and sewage systems and the quality of the water services;
- simplify the legal basis and improve the institutional capacity to attract direct foreign investment;
- create a reliable information basis of the electronic government for regional planning and management focusing on the regions of planning;
- develop the cadastre and interconnected information systems between the cadastre and the Property register.

The Ministry of State Administration and Administrative Reform will make efforts for increasing the administrative capacity at local and regional level with a view of preparation and implementation of effective investment projects.

The Ministry of Regional Development and Public Works commits itself to support the improvement of the competitiveness of construction by active work on the harmonization of the technical normative acts concerning construction design and construction processes, related to the substantial requirements to construction: solidity, fire safety, hygiene, preservation of health and environment, safe operation, noise suppression, heat preservation and energy saving.

The Ministry of the Environment and Waters will pursue a policy of improvement of waste management by:

- full harmonization of the national legislation on waste management with the European requirements;
- coordinated and controlled development of the necessary infrastructure at national and regional level for environment-friendly treatment of household waste, medical waste, etc.
- phased re-cultivation of cells of regional waste depots put in exploitation after exhausting their capacity;
- phased inclusion of habitations in the system of separate waste collection, recycling of mass waste;
- control of the compliance with the provisions of the issued permits for waste treatment;
- control of the fulfilment of the objectives of recycling and utilisation of mass waste.

As a result of the pursued policy of creating a large-scale system for integrated waste management the harmful effects of waste on human health and the environment will be eliminated or reduced.

The Ministry of Transport commits itself to:

— restore the destroyed by the 2005 natural disasters railway infrastructure and achieve the previous speed and capacity on the restored segments of the infrastructure. As a result the stability of the railway infrastructure in similar future occurrences will be improved, the market share of railway transport on the national transport market will be preserved or extended;

— pursue a policy of development of the transport infrastructure of the country as an integral part of the trans-European transport network by implementation of large-scale infrastructure projects on the routes of Pan-European transport corridors IV, VII, and X. The Ministry will use the financial resources allocated in the state budget and the pre-accession funds for the design of infrastructure facilities along the priority corridors in preparation for utilisation of the resources of the structural funds and the Cohesion fund in 2007. As a result of the implementation of the projects the capacity of the Bulgarian transport network will increase and a higher operational compatibility with the trans-European transport network will be achieved, the bottlenecks on the basic infrastructure routes will be removed. All this will lead to increased design-speed both of the road and the railway infrastructure and reduction of the service times in river and seaport facilities and airports.

The State Agency of Information Technologies and Communications will be the primary co-coordinator of the government activities for the development of the information society. In the area of legislation the State Agency will continue the work on changing the legislative framework with the aim of creation of equal opportunity conditions for the enterprises operating communication networks and providing network services.

4. *Promotion of investment activity. Development, in co-operation with representatives of the businesses, of a programme for the creation of a favourable business environment and stimulation of investments in technologies and innovative production*

The active participation of the business in defining the priorities for the creation of a favourable business environment is of key importance for the success of the objectives set in the priorities of the Government programme and related to building a knowledge-based economy, creating incentives for the private investments and developing of entrepreneurship.

A key factor for achievement of the priorities of accelerating the economic growth and maintaining a stable external financial status of the country is the active investment policy. The direct foreign investments are the basic source of financing the current account deficit, and they cover 138.21% of the deficit in 2004. In the year 2004 the investments reached a relative share of 20.9 % of the total volume of the GDP. It is achievable for the investment growth to reach a level exceeding two times the economic growth. The investments can reach a relative share exceeding 25 % of the total volume of the GDP in the period 2006 – 2009.

The programme of the Government in this area will rely on the Bulgarian Investment Promotion Act, adopted in 2004 and on the Investment Promotion Strategy for the Period 2005 – 2010. If the fiscal situation allows zero tax rates will be applied to the reinvested profit.

The Ministry of Economy and Energy will focus its efforts on several priority areas directed mainly to the encouragement of “green field” investment and expansion of the production after finalised privatisation, improvement of the administrative environment for stimulation of investments by development of the legislative framework, elimination of ineffective regulations and of the unnecessary bureaucratic interference and on the improvement of the administrative services for the investors.

The Ministry of Economy and Energy in cooperation with the **State Agency of Information Technologies and Communications** will work for:

- ▢ development and implementation of financially-secured programmes with measures for stimulating investments at national and regional level focusing on high technology manufacturing and services;
- ▢ performing proactive investment marketing on an international scale.

The Ministry of Economy and Energy plans to attract broad participation of representatives of the business in the development of a programme for the creation of a favourable business environment and stimulating the investments in new technologies and innovative products.

The Ministry of Transport will continue the policy of stimulating business investment activity in transport, including development of the legal basis, and in particular:

- ▢ renovation of the automotive fleet with fuel saving and ecological motor vehicles;
- ▢ modernisation of the technological equipment of airports and port facilities.

5. Encouraging private investments in the Bulgarian culture and traditions

The outstanding presence of Bulgaria in the rich and diverse cultural palette of Europe accentuates strongly the problem of investments in the development, promotion and integration of Bulgarian culture.

The Government will set as its main priority the stimulation of the participation of the private and non-government sector in the cultural development by creating favourable conditions for investments and a variety of initiatives. We believe that the fulfilment of this priority requires actions for consolidation and partnership of the executive authority at all levels with the non-governmental sector and the business.

The Ministry of Culture will make maximum efforts to preserve the centuries-old cultural traditions of Bulgaria, will promote private investments in Bulgarian culture and in partnership with the Bulgarian citizens will work actively on:

- ▢ supporting and optimising the cultural infrastructure;
- ▢ defining the state preferences and incentives for investment activities in various areas of art culture for development of and state support for research activities in the field of arts;
- ▢ amending the Bulgarian cultural legislation, which would guarantee normative regulation adequate to the market conditions – freedom for activity and creation of market-oriented behaviour of the cultural institutions and the artists. The Ministry of Culture has already begun work on the motives and philosophy of a new Act on the Culture, a new Act on the Cultural and Historical Heritage, a Act on Cultural Patronage and a new Act on Community Cultural Centres;
- ▢ decentralising the management and financing of culture and raising the role of the non-governmental sector in the cultural processes;
- ▢ preserving the cultural heritage and its socialising as an important component of cultural policy.

As a result of its policy, the government will turn the cultural diversity into a basis for dialogue and joint participation in the social integration of society.



II.3. Continuation of the processes of privatisation, granting of concessions, development of public – private partnership, stimulation of competition and liberalisation while preserving the public interest

The building of a competitive market economy passes through the continuation of the processes of privatisation, granting of concessions and development of the public-private partnership. The Bulgarian government will pursue an active policy in these fields while preserving the public interest. We plan to utilise the opportunities provided by the stock exchange in order to achieve transparency of the deetatzation procedures.

1. Protection of the public interest in management, restructuring and privatisation of infrastructure and monopoly entities

1.1. Restructuring and privatisation

The Ministry of Economy and Energy will continue the process of deetatzation (privatisation) while preserving the public interest. In this process equal opportunities will be provided for investors, representatives of local and foreign capital; strategic investors will be attracted and rules and mechanisms for transparent performing of the privatisation procedures will be introduced for the achievement of actual rentability for the state. Particular actions will be directed to:

- ▢ speeding up the process of selling the residual shares by utilising the opportunities offered by the stock exchange;
- ▢ continuation of the privatisation process that includes the acceleration and finalisation of the procedures in heat and electrical energy generation. The privatisation of the thermo power plants “Varna” and “Bobov Dol”, Centralized Heating System “Rousse” will be of particular significance.
- ▢ improvement of the coordination and criteria for restructuring and demonopolisation of the existing monopolies on the basis of financial and economic, structural and technological, and market analysis of the trade companies;
- ▢ accelerated restructuring of the “National Electric Company” EAD and “Bulgargaz” EAD by organisational and legal separation of the system operator;
- ▢ improvement of the post-privatisation control;

- completion of the restitution process.

The Ministry of Transport will direct its efforts to solving a broad spectrum of social, financial and technological problems, the resolution of which will have positive impact on the competitiveness of the transport sector. The measures put forward are of a complex nature and will be oriented in several directions:

- implementation of a national transport system, which will optimise the transport schemes of the separate types of transport;
- usage of instruments of the public-private partnership;
- increase the quality of public transport services;
- improvement of the relations with the branch organisations in the transport sector.

The Ministry of Transport will undertake activities towards:

- improving the management of state-owned enterprises;
- financial stabilisation of the Bulgarian State Railways /BDZ/ EAD and the National Company "Railway Infrastructure";
- creation of more favourable conditions for operation and development of Bulgarian navigation;
- privatisation of the "Bulgarian River Shipping Company" EAD– Rousse;
- privatisation of the "Bulgarian Maritime Shipping Company" taking into account: the significance of the corporation in respect of the national security and the economy of the country; the world practice of development of navigation, the current situation on the freight market; the protection of the national interest and the social importance of the company in the region;
- privatisation of "Bulgaria Air" EAD– Sofia focusing on a transparent privatisation procedure, preserving the national identity of the company and setting up clear criteria for attracting an economically safe investor.

In cooperation with **the State Agency for Information Technology and Communication** the Ministry will create conditions for an accelerated restructuring of "Bulgarian Posts" EAD in respect of the full liberalisation of the postal market and with the aim of attracting a maximum volume of investments in the sector.

1.2. Improvement of the management of state-owned enterprises

The Ministry of Economy and Energy will direct its efforts to improving the management and control of state-owned enterprises. The Government will focus its attention on the financial and economic results of their activities with special attention paid to those which are of strategic importance to the economy and will not be privatised.

In view of the necessity of more effective utilisation of the available resources and the deficiency of turn over funds and funds for research and development activity and upgrading of

the manufacturing process, for market, product and technological restructuring **The Ministry of Economy and Energy** will direct its efforts with priority to:

- ▢ optimisation of the management and restructuring of the infrastructure state owned enterprises aiming to increase their competitiveness on domestic and foreign markets;
- ▢ acceleration and optimisation of the processes of winding up and bankruptcy of enterprises operating ineffectively with the aim of more effective utilisation of their assets.

2. Implementation of investment projects by public-private partnership and granting of concessions

The concession regimes will be brought into line with the new requirements of the European Union with respect to the public-private partnership. The implementation of public-private partnership will speed up the realization of investment projects not only on national but also on local level and will attract additional financial resources for the pursuing the investment policy in the public sector. The activities of the Government will be directed with priority to the implementation of pilot projects in the transport sector, the environment (waters), education (school infrastructure), and social and employment services. Public-private partnership on local level will be encouraged too. Concession activities in construction, concessions for provision of services and for natural resource extraction will be clearly differentiated. The scope of the legal persons which could benefit more effectively from the concession regimes will be extended. The Government commits itself to providing better control, better appeal system and better institutionalisation. For this purpose, in **the Ministry of Finance** comprehensive work will be performed on:

- ▢ improvement of the methodology, including the preparation of unified documents for the models of public-private partnership;
- ▢ defining the priority sectors of public-private partnership;
- ▢ determine pilot projects for public-private partnership;
- ▢ improvement of the administrative capacity by training of experts from the central and local authorities.

The Ministry of Transport will develop a National programme for development of the port facilities for public transport, as well as a National programme for the development of the airports for public transport. The aim is to achieve a clear vision and policy in respect of the port facility and airport infrastructure as well as in respect of the application of the principles of the public-private partnership in view of financing of their maintenance, modernisation, including implementation of new infrastructure projects. In such a manner equal opportunities for access of the users to the market of sea and river port and airport services will be guaranteed and their quality and the effectiveness of their provision will be improved.

To achieve this goal the Ministry will continue its policy of granting concessions:

- ▢ for the port terminals for public transport in Vidin, Lom, Tutrakan, Rousse-West, Rousse-East, Varna-East, Varna-West, the terminal for dangerous goods Varna –West, Balchik, Bourgass, Rossenets, Pomorie, Sozopol and Tsarevo; passenger terminals Rousse-centre, Silistra and Nessebar; ferry terminal Rousse;

- for the completion of the concession procedure for the civil airports in Varna and Bourgas for public use;

- for the opening of a procedure for granting concessions for public use of the civil airports in Plovdiv, Rousse and Gorna Oriahovitsa.

The Ministry of Economy and Energy will undertake actions to increase the effectiveness of the operation of the offices dealing with economic and commercial issues and will direct their activity with priority to promotion of investments and trade with the aim of stimulating the participation of investors in the public-private partnership.

The Ministry will continue the granting of concessions for mineral mining and processing – for industrial and energy minerals, observing the public interest and performing effective control over the performance of the concession contracts.

The Ministry of Regional Development and Public Works will pursue a policy directed to:

- integration of the national road network with the European transport infrastructure for ensuring high quality of the transport activities as a prerequisite for the economic development of the country.

The basic efforts in this direction will focus on building a national network of highways and their connection to the European transport corridors, including the construction of the highways. The construction of the strategic road projects will be carried out in mutual interest with the private sector by granting of concessions and by other forms of public-private partnership.

- For the acceleration of the structural reform in the water sector the Ministry will develop a plan for restructuring of sector “Water supply and sewage”

- involvement of the private sector in the management of water supply services;

- implementation of pilot projects for public-private partnership in the “Water supply and sewage” enterprises. In this way substantial investments will be realized in the sector for relatively short periods;

- granting of concessions for the seacoast beaches while observing the public interest and focusing the state policy on the control and preservation of this natural resource, creation of a new system of competition criteria for granting concessions for seaside beaches which will be based on such priorities as improvement of the seaside resources, enhancement of the recreational resource and development of the infrastructure;

- The Ministry commits itself to adopt an Act on the Black Sea Coast. The purpose of the act will be to improve the conditions for tourism along the Black Seacoast and to guarantee the right of the citizens to unhindered access to the seaside beaches;

- granting of concessions for mineral mining and processing for construction materials while observing the public interest and imposing effective control over the performance of the concession contracts;

- During our mandate we plan to complete the process of granting of concessions to the privatised trade companies, which are entitled by virtue of the law to the right of mineral

mining and processing for construction materials in compliance with the Privatisation and Post-Privatisation Control Act.

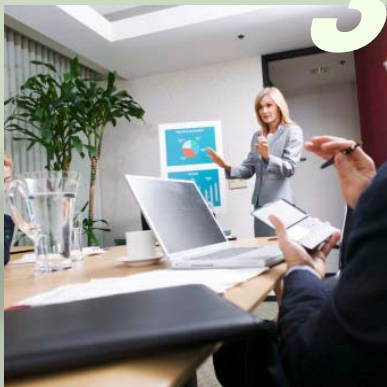
The Ministry of the Environment and Waters will pursue a policy of:

- ▢ preservation and improvement of the quality of waters in water sites and effective utilisation of the water resources of the country;
- ▢ preservation of the mineral resources and soils as strategic resources of the Republic of Bulgaria;
- ▢ preservation and rehabilitation of the rich biological diversity of the country and providing for a sustainable utilisation of the biological resources;
- ▢ achieving the common EU standards for the quality of the air over the territory of the whole country;
- ▢ bringing the National system for monitoring the quality of the air in conformity with the current European requirements;
- ▢ development of normative and institutional conditions for elimination of the harmful impact of the dangerous chemical substances and detergents;
- ▢ reduction of the unfavourable influence on the environment caused by the climate changes.

The Ministry will improve the mechanisms related to the use of mineral waters with the aim of optimal utilisation of the resources. The public-private partnership will be expanded by organising new procedures for issuance of concessions for mineral waters.

The Ministry will ensure effective control over the search, mining and initial processing of mineral resources in compliance with the requirements for protection of the environment and the rational utilisation of the bowels of the Earth.

3



Modernisation of the state, building a knowledge-based economy, raising the qualifications of the labour force in compliance with the European Union's Growth and Jobs Strategy

*Governing with care for every Bulgarian citizen through a modern administration
Investments in new technologies and manufacturing processes*



III. Modernisation of the state, building a knowledge-based economy, raising the qualifications of the labour force in compliance with the European Union's Growth and Jobs Strategy

Democratic development requires coordination of processes occurring not only in the state Government itself but also processes driven by society and the free market. Bulgaria is a democratic country on the threshold of its accession to the European Union in 2007. The reforms in the public sector are a fact. At the same time the enhanced application of the principles of good administration will always pose a great challenge to politicians and managers in the administration. The social-liberal Government will stimulate the development of the democratic values in our society and the participation of the citizens in the decision-making process. The Government sets the task to discuss with the parties involved the development of policies and to perform preliminary evaluation of the influence of these policies on society.

The Ministry of the State Administration and the Administrative Reform will focus its efforts over the depth of changes in the administration. These changes will provide effectiveness and efficiency with management of the public resources, involving society in the process of formation of policies, creating mechanisms for managing systems of relations. Many of these systems of relations have European and global plan. The innovation methods of management in the structures themselves will improve communication with the other interested parties and better coordination of the sector policies. For that purpose, the Ministry of the State Administration and the Administrative Reform will:

- ▢ optimise the structure, the general and operation management of the state administration;
- ▢ improve the management of human resources in the state administration and will strengthen the administrative capacity in the direction of result oriented and professional performance (appointment, training, remuneration systems);
- ▢ direct training primarily to acquiring and extension of knowledge and skills in foreign languages and information technologies and to strengthening the capacity of utilisation of the structural funds;
- ▢ expand the use of information technologies for facilitation of the access to services and in connection with the European schemes for interoperability and open standards;
- ▢ work for reduction of the administrative barriers and expenses of business and citizens and of the administration itself, focusing on strengthening of the control and monitoring methods;
- ▢ consult and offer methodological assistance to the managers in the public sector by delivering comparative analyses of the strategies, their implementation and the good practices of different organisations;
- ▢ improve the level of organisation of administrative servicing in the state administration by the implementation of innovative methods and techniques of delivery of administrative services;
- ▢ increase user satisfaction with the delivered administrative services;

— develop and implement pilot models of public-private partnership and service integration, directed to more effective and user-oriented services of common interest.

The Bulgarian Government will strive to ensure favourable conditions for building a knowledge-based economy and achieving high economic growth. We will support the development of the information society by promotion of investment in science and innovations and improvement of the quality of human capital. At the same time, we will work for preserving the traditional values of the Bulgarian educational system and its development in conformity with the European tendencies.

We are aware, that it will be easier to achieve this goal by supporting employers who invest in personnel training and education especially in high technology manufacturing and services. We will encourage also employers, who invest in regions with high level of unemployment, and allocate financial resources for increasing the qualification of the unemployed persons. The Government commits itself to performing an analysis and forecasting the needs of the investors of labour force with specific qualifications in the regions. For the purpose of stimulating the interaction between the education and the business we will set up a standing expert council. For a successful carrier start of undergraduates in their last year of studies, we will encourage the joint educational forms between the universities, scientific organisations and institutions and the private companies for the acquisition of practical skills and entrepreneurial initiatives.

1. Creation of an effective mechanism for encouragement of innovation and use of information technologies. Modernisation of science on the basis of the goals of the European Union's Growth and Jobs Strategy. Increase of the state expenditure for science and providing incentives to corporate investments in research and development accompanied with modification of the principles of financing science.

In accordance with the European Union's Growth and Jobs Strategy, the Bulgarian Government will pursue an adequate policy of development of the innovation potential with the aim of stimulation of the investments in scientific research and its application in new production processes.

The Ministry of Economy and Energy in cooperation with **the State Agency of Information Technologies and Communications** are making provisions for broad participation of representatives of the business in the development of a programme for creating of a favourable business environment and encouraging investments in new technologies and innovative production. As a result of the implementation of this programme it is expected expenditure for research and development and scientific activities to grow progressively to about 1 % of the GDP in 2009 with a predominant contribution of the private sector.

The Ministry of Economy and Energy and the Ministry of Education and Science in cooperation with the State Agency of Information Technologies and Communications commit to carrying out the transition to an active investment policy in the field of innovations and production of new competitive products in accordance with the Innovation strategy, adopted in 2004 and the European experience. The Government will work for the creation of favourable conditions for the development of industrial/technological zones, incubators, centres for transfer of technologies and clusters on a regional and industrial branch principle. Investment and innovation encouragement methods and forms will also be used based on contracting technology transfers and deployment of new manufacturing processes as part of the fulfilment of direct and indirect compensation (offset) agreements in connection with the implementation of special public procurement projects.

We realise that the dynamically developing world economy and the ambitious goals underlining the European Union's Growth and Jobs Strategy (the Lisbon Strategy) demand redefining of our long-term objectives in respect of the information and communication technologies and the development of the information society. We commit ourselves to apply the priorities of the National programme of reforms (which is presently in the process of preparation) for the realisation of the European initiative 2010 by creating single European information space, facilitating innovations and providing broad access to information technologies. We possess the political will to strengthen the position of our higher schools and universities as centres of scientific research and application R&D projects by introducing the principle of project financing for them.

The Bulgarian Government will contribute to the integration of the Bulgarian scientists in the common European research area, which will result in an increase of the administrative capacity for the formation of a national science policy, it will also provide additional financing of scientific research and upgrade the profile of the scientific potential by enhancing the generation of new knowledge in areas, where Bulgarian science has been traditionally strong. In this way we expect an increase of the demand for products of the scientific research and innovations on the national and on the international markets.

2. Considerable improvement of the quality of operation of the public administration, including extensive introduction of e- governance. Outsourcing the services from the state administration to the private sector.

The Ministry of the State Administration and the Administrative Reform will continue working on the creation of an efficient state administration, where the civil servants are appointed on the principle of competition, to ensure the provision of high-grade professional administrative services. We have the intention to invest in training. This is the most important investment in people and the Ministry of the State Administration and the Administrative Reform will work for improvement of the effectiveness of the training of civil servants. One of the initiatives is related to our membership in the European Union. It will be directed to extended training in areas linked with the application of EU legislation.

Civil servants will be given the opportunity to receive specialised training according to European and world practices.

A great part of the training will be provided at regional level. In this way we will help experts and inspectors to further develop their professional skills. The other big initiative of the Ministry of the State Administration and the Administrative Reform will be related to compulsory foreign language training and information technology training. In this way, at the same time we will prepare our officials for working with their European partners and with the technologies of the future, the electronic provision of services in particular. The Government plans to implement a programme of providing up-to-date computer equipment to all employees. We will persist in promoting the delivery of new electronic services and the design of updated portals and sites. In this way we will increase the application of information technologies in our pursuit of greater transparency and accountability in governance. We commit ourselves also to assessing the possibilities for mass dissemination and implementation of the electronic signature in the Republic of Bulgaria.

We will introduce a centralised training platform for electronic training of the employees of the state administration.

The Government is planning a programme for improvement and upgrading of the computer equipment and connection of the local administration.

As a basic component the e-government should create interoperability environment, as well as registers containing the description and classification of the standards, data and services. The legal framework of the e-government will be further developed. Centralised information systems of the state administration will be introduced, such as a system for human resource management, system for registering document turnover, electronic signature, national electronic public procurement system, etc. A unified system of evaluation criteria for assessment of the e-government projects will be developed.

The Government considers as key factors the training of civil servants, related to the e-government operation and the integration of the application of information technologies in the process of modernising and reforming of the state administration.

The Ministry of the State Administration and the Administrative Reform will propose a review, analysis and optimisation of all state structures. Possibilities for transferring certain activities to the private sector will be considered. We will guarantee transparency of this process and achievement of the best possible result.



Development of education and culture

Lifelong quality learning adapted to the growing needs of the businesses of highly qualified professionals

Up-to-date computers and Internet in all Bulgarian schools

Linking training and career

Bulgarian culture – a contribution to the European cultural treasure

IV. Development of education and culture

1. Guarantee for equal access to quality education ensuring maximum development of talents and capabilities for social realisation

1.1. Ensuring equal access to quality education

We believe that only a highly educated nation may be rich and prosperous and that is the reason why we will support the development of the educational system in line with the challenges and dynamics of the European and global economy. At the same time we will work for the preservation of the traditional merits of Bulgarian education.

The basic criterion in pursuing the educational policy is the interest of the child.

We are convinced that the basic value, which brings sense and reason to any change in the educational area, is the child. The interest of the child to obtain quality education will be the leading idea of the national educational policy.

Maximum coverage of children of the compulsory school age. Updating the curricula, plans, programmes and broad usage of the new symbolic systems of modern age (computers, foreign languages). Effective system for quality assessment.

A substantial challenge for the Government is the provision of legal access to quality education in the pursuit of achieving knowledge-based economy. This means that every child will be provided with equal access to education of uniform quality, which will guarantee maximum development of the individual talents and capabilities for social realisation.

For this purpose **the Ministry of Education and Science** commits itself to working for:

- prevention of school drop-outs and reintegration of drop-out students;
- substantial reduction of under-sized and merged classes;
- social inclusion and integration of children with special educational needs;
- keeping all students at school up to the age of 16, by binding the constitutional provision for compulsory education with the corresponding educational level;
- attainment of equal general educational minimum by all pupils within the framework of the compulsory education;
- redefinition of the objectives of teaching process in respect of stimulating the self-dependency and creative thinking, building practical skills, making the child an active participant in the educational process;
- creation of an effective system for control of the quality of teaching and education.

Our policy will be directed to overcoming the problem with the dropout pupils. For this purpose the Ministry of Education and Science will work for providing free access to school system in the period of compulsory education by delivering free textbooks and learning materials, setting up a state educational portal, creating electronic textbooks. We will proceed with the

programme of free snacks at school during the initial stage of education (elementary school) and free transport by school buses for school centres.

The Ministry of Education and Science commits itself to a phased reduction of the undersized and merged classes taking into account the geographic and demographic features of particular regions. We will work for the development of the system of school centres serving several smaller neighbouring habitations and for strengthening the semi-boarding school type of education.

We will take special care of children with special educational needs by creating an accessible physical environment, options for individual training programmes, special textbooks and teaching accessories, trained instructors and teachers.

We take into account the need for guaranteeing the equality of pupils and ensuring their horizontal mobility across the educational system and we will work for such changes of the educational system, which will facilitate the fulfilment of the constitutional provision for compulsory education up to the age of 16 and the achievement of one equal general educational minimum.

We are convinced that the economic development of keeping-up with the European Union and building a knowledge-based economy require significant efforts for improving the quality of education. It is our goal to transform school into a centre, which creates opportunities for revealing and developing to the greatest extent the young people's talents by incessant piling-up of knowledge and skills. The school must become also a place of formation of personalities, of building up values and cultivation of the sense of belonging to the school, town, Bulgaria. It is necessary to change the orientation of the educational system from memorising and playback of information to creative thinking and decision-making capability in practical situations. The Ministry of Education and Science commits itself to:

- update the educational content by enhancing foreign language learning and the acquisition of computer skills;
- eliminate the overload content in the teaching programmes and textbooks and focus on building up of skills;
- create a modern system of vocational training – adequate to the labour market;
- stimulate life-long learning.

The Ministry of Education and Science will bring the educational plans and programmes in conformity with the concept of contemporary education; it will encourage the participation of teachers, parents, employers and non-governmental organisations in the development of educational programmes.

Taking into account the fact that the overloaded programmes and more subjects do not lead to better knowledge we will support such changes in the educational programmes which lead to reduction of their overheads and enhancing their practical orientation.

In view of the social and economic specifics of each region and the needs of society and the business, the Ministry of Education and Science will develop the individual approach to educational content by educational profile and vocations in the respective schools. Every pupil will be provided with options for early vocational orientation and choice of modern professions.

The Ministry of Education and Science in cooperation with the Ministry of Labour and Social Policy and with the social and economic partners will develop a National strategy for life-

long learning and will lead an active policy stimulating the participation of the civil society in creating incentives to people for life-long learning.

For the purpose of enhancing the role of school not only as an educational institution but also as a place, where positive social and human values and traditions are being cultivated, the Ministry of Education and Science will take measures for development of extra-class and extra-school activities, school sport activities and introduction of rituals in school life including dedicated project financing.

We are aware of the fact that the lack of reliable and objective means of evaluating the knowledge and skills of the pupils at the different stages of their education does not facilitate making well-grounded conclusions about the quality of the educational system and formulating adequate measures for overcoming the problems. For this reason we will work for the creation and implementation of an effective system for quality assessment and control of education. The Ministry of Education and Science sets the task of developing a system for internal grading by extensive introduction of tests as an adequate means for evaluation of the knowledge and skills of the pupils. At the same time, efforts will be dedicated also to the introduction of a system for external grading of the type of national, standardised, objective exams in the end of each educational phase. The long-term policy of the Ministry will be directed to the recognition of the secondary school-leaving state exams as a reliable test of the achievements of pupils on their exit of secondary school and turning them into an "entrance examination" for the higher schools.

Optimisation of the network of schools. Raising the qualification of teachers. Strengthening the decentralisation of management and financing of the educational system.

We are convinced that the provision of equal access to quality education would not be implemented to the end without the fulfilment of the following priorities:

- optimisation of the network of schools and binding it with the requirements of the labour market and the social and economic characteristics of the particular region;
- upgrading the material and technical basis of schools;
- introduction of a system for qualification of the educational human resource, which will ensure periodic updating of the knowledge base, application of new teaching methods, foreign language learning and acquisition of computer literacy and information and communication technology skills;
- implementation of a differentiated system of teachers' wages linked with the evaluation of the quality of teaching and the achievements of the students;
- precise definition of the role, functions and powers of the bodies in control of the national educational system;
- decentralisation of the management of education by delegating powers to the lower levels of the educational system concerning financing, human resource management and introduction of innovations in the learning process;
- upgrading of the methods of financing the educational system and introduction of financial incentives for effectiveness.

The Ministry of Education and Science and **the Ministry of Finance** will undertake actions for upgrading the mechanisms of financing secondary and high school

education by developing and managing the implementation of unified standards for financing the education on a per- student basis in state and municipal schools, kindergartens and service units.

We will strive for new content of the educational process with the application of computers, specialised educational software and Internet access as inseparable part of teaching every single subject.

The State Agency of Information Technologies and Communications will manage the process of delivery (procurement) of computer and network equipment and services to Bulgarian schools.

2. Modern higher education, ensuring mobility and bound to the requirements of the labour market

The Ministry of State Administration and Administrative Reform will continue to encourage and contribute to the creation of carrier centres in all Bulgarian universities

We are aware that the forthcoming accession of our country to the European Union sets new challenges to the system of higher education, related to the necessity of training students to the highest qualifications so that they would be able to follow a successful career path on the very competitive single European labour market. We are convinced that our higher schools should develop not only as educational institutions providing modern higher education, but also as centres of scientific and applied research and development. The Government commits itself to:

- implement the principles of the European higher education area, related to guaranteeing the quality of higher education and mobility;
- true implementation of the European system of transfer of credits;
- create favourable conditions for real provision of student credits;
- improve and expand the system for control of the higher education.

We are convinced that the economic development of keeping up with the European Union requires considerable investments for improvement of the quality of education and stimulation of the links between universities and the business. We will work for preserving the traditional values of the Bulgarian educational system and for achieving a level of quality of the human resource corresponding to the needs of the knowledge-based economy. The Ministry of the State Administration and the Administrative Reform will organise short-term traineeships in the state administration at all levels. Every year in cooperation with companies from the private sector the traineeship and career forum "Careers" will be held in different cities.

The Ministry of Education and Science will work for:

- building a modern and adequate to the labour market network of schools, which satisfies the educational interests and needs of the students and is balanced with respect to the needs of society and the business;
- compiling of educational programmes for the acquisition of basic skills and professional competencies;
- development of the qualifications of the educational human resource, stimulation of competition in the delivery of qualification services and training;

— encouragement of the entrepreneurial spirit through partnership between the school and the employers and through successful personal professional realisation in a competitive environment.

The Ministry of the State Administration and the Administrative Reform will work jointly with the Ministry of Education and Science for stimulating the links between the educational institutions and the business and the state administration.

The Ministry of Education and Science will bring its educational plans and programs to comply with the concept of modern up-to-date education; it will stimulate the employers to participate in the development of training programmes and will create incentives for the financing of the vocational training of young people bound with an agreement for beginning work (with the sponsor) after successful graduation.

The Ministry of Education and Science, the Ministry of Labour and Social Policy and the State Agency of Information Technologies and Communications jointly with the social and economic partners will develop a National strategy for life-long training and a National programme for computer literacy of the nation and intense activities will be carried out in compliance with these programmes for stimulation of the civil society to participate in the motivation of people for life-long learning. In the process of fulfilment of this commitment an overall strategy of life-long learning will be built; financial stimuli will be developed for the organisation of traineeships and practical training of young people undergoing training in vocational schools or centres in real conditions, working in the state administration or in business entities; a modular system and distant learning will be implemented in the vocational training of adults for acquiring professional qualification. As a result of the fulfilment of the National strategy of ongoing vocational training for the period 2005 – 2010 an information system will begin to function processing supply and demand calls for ongoing vocational training, which will improve the information reaching the citizens and facilitate the process of stimulation for participation in ongoing vocational training.

With respect to the social and economic specifics of each region and the needs of society and the business the Ministry of Education and Science will develop the individual approach to the programmes by profiles and professions in the corresponding schools. Every student will be given the opportunity for professional orientation and choice of modern professions. Higher requirements will be set to training institutions providing vocational training concerning the quality of training and financial stimuli will be offered for the organisation of traineeships and practical training of the students.

3. Wide-spread usage of computers during the whole course of education – until its finishing, encouraging work with computers during extra school hours

In view to the significance of using computers during the whole course of education - until its finishing, for building up knowledge-based economy, the material and technical basis will be expanded and modernized in the education system, by:

- Training of all the teachers for acquiring basic computer skills and preparing the teachers to develop computer-based lessons;
- Developing a Concept for introducing e-learning and distant learning in the high schools;
- Creating prototype of an educational portal and pilot projects for e-content;

- ▮ Providing internet connection for all the schools and building up a national educational network, giving possibilities for realization of a set of distant learning courses, e-libraries and encyclopaedias, as well as for conducting tele-conferences.

The realization of these tasks will allow us to provide access to knowledge and data for every member of society, and to establish a sustainable and adequate to the contemporary requirements educational system, allowing the application of individual training approach.

4. Development of national policy of science

The Bulgarian Government is aware of the significance of science as a primary factor in the process of building a knowledge-based economy and the second basic pillar of the creation of the common European research and education area. That is the reason why the following main objectives should underline the national policy of science:

- ▮ building a modern scientific and innovation system;
- ▮ strengthening the position of universities and higher education schools as principal scientific centres;
- ▮ creating conditions for harmonisation of the national policy of science with the European knowledge;
- ▮ development of the scientific potential and integration of Bulgarian scientists into the common European research area;
- ▮ encouragement of applied research;
- ▮ providing greater opportunities for financing research including broadening the access to European research programmes;
- ▮ support for the project principle of financing research.

5. Special measures for the development of Bulgarian culture and its promotion across the European Union. Development of regional co-operation in the field of culture

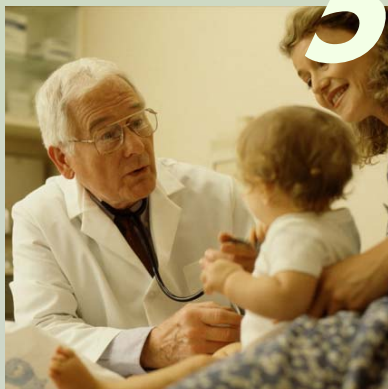
The Bulgarian Government considers the sustainable cultural development, spiritual consolidation and prosperity of the nation as the solid foundation for creating the overall governmental programme in the field of Bulgarian culture. Culture is an essential resource, which is capable of raising the quality of life and of ensuring sustainable development. With the objective of strengthening the role of culture as a factor for stable social and economic development the **Ministry of Culture** will work for:

- ▮ growth of the potential of culture in the international, regional and local development;
- ▮ enhancement of the management and protection of the cultural and historic heritage;
- ▮ promotion of Bulgarian culture in the European and global cultural exchange;
- ▮ development of the regional policy on culture in its internal and external aspects;

— training and retraining of the specialists working in the field of preservation and protection of the cultural and historic heritage.

The development of culture creates potential for faster economic growth by encouraging the creative activities, which rank fourth on a global scale as dynamically developing sector. The role of the cultural resources (cultural monuments, museums, festivals, ethnographic complexes) in tourism as a priority branch of our economy becomes more and more significant. Besides that, culture provides unique opportunities for social inclusion of minorities and groups of disadvantaged people in Bulgarian society.

The Ministry of Culture will work for the improvement of the management of the cultural heritage, including restructuring of the national network of museums, also the modernisation of the system of registration of the cultural monuments and the system for control of their preservation and protection. The participation of Bulgarian culture in European cultural initiatives and programmes for active promotion of Bulgarian culture in the European Union poses acutely the problem of investment in culture. Priority of the activities of the Ministry of Culture will be the creation of a National strategy for the development of culture in the Republic of Bulgaria, which will become the basis of working out a new legislation in the sphere of culture. The optimisation of the network of cultural institutes, the expansion of the internal cultural market as an element of regional co-operation as well as the decentralisation of their management represent specific objectives, which can be achieved with the respective normative support. The internal regional cultural policy is in a process of overall reconsideration and redefinition and the Ministry will redirect the cultural activities on regional level to become a substantial part of the strategy of sustainable local development. Priority of the external aspect of the cultural policy – bilateral cultural relations in particular - will be the active cultural dialogue with the European countries. The Ministry of Culture will work for the development of the regional co-operation with the countries in South-East Europe and maintaining of traditionally good contacts with Russia, Japan, China, The Republic of Korea, etc. The coalition Government plans a gradual increase of the funds allocated to culture till the level of the European standards is reached.



Guaranteed and accessible healthcare

Fair resolution of the health insurance payment issue

Guaranteed access to quality healthcare service

Introduction of an integrated information system and development of electronic healthcare

Increasing the percentage of the GDP, allocated to healthcare

Pursuing a reasonable policy on medicines and medical supplies

Stimulation of voluntary health security and health insurance

Priority financing of national health programmes related to treatment and prophylactics of nationally significant diseases

Reform of the in-patient sector by optimisation and restructuring of the hospital network and through privatisation

V. Guaranteed and accessible healthcare

The health of the population is a basic national priority and during our mandate we will work for guaranteeing the right of every Bulgarian citizen of access to quality medical care and for overcoming the existing adverse trends in the health status of the population.

The coalition Government will continue the reform of the healthcare system, which has begun several years ago. The changes made ever since still do not meet the needs of society. The provided healthcare services do not correspond to the real needs of the citizens. The issue of the huge amount of unpaid health fees has not been resolved yet. A lot of problems exist related to the organisation and financing of the healthcare establishments. We are perfectly aware of the significance of these problems and we will undertake resolute measures for overcoming them by:

1. Introduction of a basic package of healthcare services for every Bulgarian citizen with health insurance. Ensuring better access to quality health services. Development of the voluntary health insurance.

We believe that the provision of guaranteed and accessible health care is of utmost significance for the Bulgarian citizens and we will work for the introduction of a basic, financially provisioned package of health care services for every person with health insurance. **The Ministry of Health**, within the shortest period of time, will determine the activities and services, which will be included in this basic package, and will inform the public about its contents. During our mandate we will pursue our policy in such a way as to guarantee the inclusion of additional services into the basic package corresponding to their feasibility and the requirements of society.

We are aware that for some Bulgarian citizens the access to medical services is not easy and we will direct our efforts to improving the organisation of the medical service. We will work for upgrading the system of emergency healthcare. The Ministry of Health will introduce mobile healthcare units for the Bulgarians, who live in remote small habitations, and will work for facilitating the access of the money- less and vulnerable social groups to specialised health services. Our policy will be directed to improvement of the communication with the Roma community. The Ministry of Health will hold training of medical staff and Roma mediators to raise the quality of the prophylactics and treatment of diseases among the Roma population.

The policy of the Government will be directed to development of the voluntary health security, which takes into account the individual capabilities and the health risk for every individual person. The Ministry of Health will facilitate the development of the voluntary health security system as a complementing part to the health insurance system in Bulgaria.

2. Inclusion of the patient in the formulation of the health policy and the control of the quality of health services

During the time of its mandate the coalition Government will work for improvement of the health status of Bulgarian citizens. To achieve this objective we will introduce such mechanisms, which will place the patient in the centre of the health care system.

Our healthcare policy will be fully compliant with needs and requirements of the Bulgarian citizens. The Government will encourage the improvement of the co-ordination between **the Ministry of Health** and the professional and trade-union organisations, municipality and citizen unions in the formulation of the policy in the field of health care services, its implementation and evaluation. The Ministry of Health will study systematically the opinions and suggestions of the users about the level and quality of the health services received and will include the users in the process of service evaluation.

In order to achieve greater satisfaction of the patients with the provided services we will bind the quality of medical services with their financial provision and will introduce strict rules for their control.

3. Increase of the funds allocated to healthcare, ensuring better transparency and effectiveness in their spending. Electronic healthcare. Fair resolution of the problem of unpaid health payments of the citizens.

The coalition Government will work not only for the increase of the percentage of the GDP, allocated to health care but also for improvement of the efficiency of utilisation of the allocated funds. We will improve the financial stability and the economic effectiveness of the health care system by expanding of the existing and developing new sources of financing.

We will make public and transparent all decisions and actions related to the financing of health care. To achieve greater financial clarity as to the sources, expenditures and cash flows before the end of the year 2006 **the Ministry of Health** will introduce national health accounts. With the creation of an integrated information system and with the introduction of personal electronic cards we will ensure transparency and effective control over the expenditures of the National Health Insurance Fund (NHIF).

With the introduction of a financing system of the healthcare activities with a single common payer (the NHIF), gradually and with steps corresponding to the available resources for health care, we will ensure equal positioning of the state owned, municipal and private health care establishments. We will preserve the budget funding from the Ministry of Health for the realisation of national programmes related to the treatment and prophylactics of diseases of social significance.

The Government is aware of the problem of the unpaid health insurance payments and in the shortest possible time will perform grading (categorisation) of the persons with suspended health insurance rights and will work for fair resolution of their problems.

The Ministry of Health commits itself to developing and pursuing of an adequate medicine policy by continuous monitoring of the system of medicine supply including the prices of medicines.

Jointly with **the State Agency of Information Technologies and Communications** it will be developed and implemented a National Programme of Electronic Health Care.

4. Reform of the in-patient healthcare sector by optimisation and restructuring of the hospital network and privatisation of hospitals

On the basis of the analyses performed the **Ministry of Health** will optimise the activities of the healthcare establishments. After a national health map reflecting the real needs of the population of medical services is developed a restructuring of the network of hospitals will be carried out. In the course of privatisation of medical establishments a mechanism will be developed in order to ensure that they remain active as well as for protection of the interests of the medical professionals working in these establishments.

6



Overcoming the regional disparities, dynamic development of the regions

*Modernisation of the road and railway
networks*

*Start of the construction of Danube
Bridge No. 2*

*Active work on the construction of the
motorways*

*Improvement of the access to populated areas
in remote regions with budget means and with
the support of EU funds*

*Development of competitive agriculture and
forestry*

More revenues for the municipalities

*Support for the establishing of technological
parks and incubators*

*Strengthening the capacity of the state
administration at central, regional and local
level*

VI. Overcoming regional disparities, dynamic development of the regions

1. *Reducing regional disparities. Decentralisation and building regional capacity for dynamic economic development*

The Bulgarian Government will pursue an active policy for regional development as part of the EU policy for balanced and sustainable development of regions. Our goal is to create local communities where the residents have higher standard of living, favourable living conditions and obtain high quality public services.

We are aware of the fact that the road to regional development passes through the need of investments, sound management of the Structural Funds and the Cohesion Fund, as well as joint actions of the state institutions for permanent and lasting solutions of the problems of the regions. At present, all planning regions in Bulgaria are in need of investment encouragement and structural adjustment, as each of them is lagging behind compared to the European regions. The greatest territorial disparities in the economy of Bulgaria refer to the investment activity, the condition of the infrastructure (transport, water supply, telecommunication, etc.), to the characteristic features of the small and medium business enterprises, to employment and income. The Government will undertake resolute measures for overcoming the regional disparities in the economy by the simultaneous encouragement of the investment activity and the employment in the less developed regions. The Government of the Republic of Bulgaria, through **the Ministry of Economy and Energy** will pursue a policy of overcoming the regional disparities in the economic and investment activity. The Ministry will work for:

- ▢ establishing and development of industrial zones for attracting local and foreign investment, of business and technological incubators for small and medium start-ups;
- ▢ encouragement of investment for starting businesses in the regions with potential for development of innovative high-technology small and medium enterprises, SMEs in the field of tourist industry and other priority areas of economic development;
- ▢ development of the legal base for application of specific measures and schemes for complex encouragement of the investment activity, the employment and the income in economically less developed regions;
- ▢ expanding the legal powers of municipalities in regard to projects with regional priority aiming at stimulating investment and employment at local level;
- ▢ support the local authorities in strengthening of their administrative capacity for implementation of the measures encouraging the investment activity;
- ▢ support the provision of municipal services related to starting new businesses and/or creating new jobs;
- ▢ regionally oriented investment marketing with special focus on less developed regions;
- ▢ attracting foreign investment for the construction of hydro-energy facilities with the aim of facilitating the economic development of border regions.

The Ministry of Economy and Energy will work together with the municipalities for providing real estate (sites and buildings) on part of the local authorities for the accommodation of SMEs, local and foreign investors and for construction of the necessary infrastructure.

The Ministry of Labour and Social Policy and **the Ministry of Regional Development and Public Works** will work for reducing the regional disparity in the employment and unemployment. Both ministries commit to creating conditions for regionalisation of the employment policy by strengthening the capacity for development and implementation of regional employment and professional qualification projects. By the end of 2006 the Ministry of Labour and Social Policy will develop and finance regional employment programmes in the regions with high level of unemployment. Further municipalities will join the programme "Overcoming Poverty". As a result of these actions the Government will increase the number of people employed within the scope of regional programmes and projects.

The Ministry of Labour and Social Policy, taking into account the key role of social dialogue in the employment policy, will work for stimulation, strengthening and development of public-private partnerships with the aim of raising employment at local level. In the long term the Ministry of Labour and Social Policy will pursue an active policy for ensuring focused and intense support to regions with lower growth levels and lower rates of job creation.

The Government is aware of the fact that modern economy imposes the need of a continuous process of adaptation of the qualification and skills of the labour force to the growing requirements. A social-liberal Government will stimulate the co-operation between the business and the educational and research institutions. Support will be granted to:

- ▢ developing open training systems governing professional preparation according to the needs of the regional labour market;
- ▢ building bridges between employers and students by negotiating traineeships and other forms for acquiring practical experience during their course of higher education in accordance with the needs of the entrepreneurs in the regions.

The Ministry of Regional Development and Public Works and **the Ministry of State Administration and Administrative Reform** will work actively for strengthening the administrative and programme capacity on regional and local level for the preparation and implementation of public investment projects for balanced regional development. The Ministry of Regional Development and Public Works will work for improvement of the quality of the living environment and reducing the differences within the regions in the country by applying the programme approach and giving priority to:

- ▢ improvement of the access of the local and regional business to national and trans-European infrastructure networks;
- ▢ construction of roads to settlements and districts with limited access;
- ▢ building water supply networks in settlements without water supply and sewage systems in the regions of focused influence.

In cooperation with **the Ministry of Environment and Waters** the **Ministry of Regional Development and Public Works** will work for improvement of the ecological status of territories with accumulated ecological problems.

The Ministry of Regional Development and Public Works will work for territorial development and opening the national territory for solving problems of the regional and

local development through trans-border and interregional cooperation with the member states of the European Union and for overcoming the problem "centre-periphery".

The Ministry of Regional Development and Public Works will build the information base for regional planning and management and will monitor the application of:

- ▢ regional development plans;
- ▢ district strategies and structural plans;
- ▢ municipal development plans.

The coalition Government will work for renovation of the national road and railway networks and their connection with the European transport corridors and also for the completion and maintenance of the municipal road network. The Government of Bulgaria will stimulate the development of border areas and the construction of border checkpoints with their connecting infrastructure with Romania, Greece, Turkey, Macedonia, Serbia and Montenegro. Our Government is aware of the strategic role of trans-border cooperation, which is of great importance for overcoming the structural problems in the border areas occurring as a consequence of their peripheral location.

We will continue the modernisation of the infrastructure of European transport corridors (No. 4, 7, 8, 9 and 10). The Government policy of regional development will support the reconstruction and modernisation of the road network of II and III class and the municipal road network for improving the transport access on regional level to the main transport corridors. Until the end of the Government's mandate the "Trakiya" motorway will be completed. We will continue with the construction of "Struma" and "Maritza" motorways. We commit ourselves to building 60 kilometres of motorway by the end of 2006.

We will complete "Sofia" airport. We will begin the construction of the new multifunctional bridge across the river Danube connecting Vidin and Kalafat (Danube Bridge No 2). The Ministry of Transport will continue the reconstruction and modernisation of the railways along the common European transport corridors (Dragoman – Sofia – Plovdiv – Bourgas; Vidin – Sofia – Kulata; Mezdra – Gorna Oriahovitsa; Plovdiv – Svilengrad).

The main task for the period 2005 – 2009 will be the finalisation of the structural reform in the water supply sector. The Ministry of Regional Development and Public Works will work for providing up-to-date standards of water consumption with economical usage of the scarce water resources, improvement of the effectiveness of water supply and sewage systems and the quality of the water services.

In the long term **the Ministry of Regional Development and Public Works** will work on the restructuring on economic basis of the regions and creating competitiveness the knowledge-based economy. The Ministry of Regional Development and Public Works jointly with **the Ministry of Economy and Energy, the Ministry of Labour and Social Policy and the State Agency of Information Technologies and Communications** will:

- ▢ apply support schemes in the regions of focused action and provide support for the development of small and medium enterprises;
- ▢ encourage investments in creating and developing technological parks and incubators for start-up small and medium enterprises;
- ▢ support building regional clusters and networks;

▢ stimulate entrepreneurial initiative by creating business centres for delivery of services related to vocational training and starting own business.

In pursuing the policy of regional development the Government will focus its support with priority on the development of regional business networks and clusters. In regional context the Government relies on the positive impact of clusters on the sustainable growth in such areas as tourism, agriculture and forestry and will stimulate cluster creation.

Jointly with **the Ministry of Culture the Ministry of Regional Development and Public Works** will guarantee the development of tourism and the preservation and socialisation of our ancient cultural heritage.

2. Intensification of the decentralisation process. Delegation of rights to municipalities to determine and set the amount of local taxes as well as the type and amount of local charges with the corresponding responsibilities

The social-liberal Government is clearly aware that the optimal distribution of authority between the central and local governments is a prerequisite for ensuring stability and effectiveness of the Government of the country as a whole. Through financial decentralisation the Government will create conditions for resource provisioning of the activities of regional and local authorities by guaranteeing fair and just allocation of resources. By decentralisation services will be delivered closer to their users and much more efficiently. The Government will manage the process of decentralisation and with the assistance of **the Ministry of Finance** will continue the process of financial decentralisation and strengthening the financial stability of municipalities by:

- ▢ delegating tax powers to municipalities to administer local revenues;
- ▢ improving of the system of indicators for monitoring and evaluation of the process of financial decentralisation;
- ▢ creating of conditions for overcoming the structural deficit in local activities as per municipal budgets.

The Government will stimulate the process of decentralisation, the role of local government and involvement of the civil society by:

- ▢ adoption of strategic documents for decentralisation of functions, fiscal decentralisation and expanding the participation of the citizens in local government;
- ▢ adoption of a Law on Decentralisation;
- ▢ adoption of a Programme for Decentralisation, 2006 – 2010;
- ▢ active interaction with the national and with the regional associations of municipalities and of workers in the local authorities for joint and real participation in the processes of development of local democracy.

As a result of this policy the individual income of the municipalities will increase, the quality of services and living standards in municipalities will improve. The Government expects increased investment activity and effectiveness of the local budgets.

3. *Development of the rural areas in compliance with the practices of the European Union*

Rural areas in Bulgaria constitute 90 % of the total territory of the country and encompass 43,6 % of the population of Bulgaria. Agriculture is one of the possible employment opportunities in the rural areas, however in future with the restructuring of the sector the emphasis will be set on their sustainable and integrated development. **The Ministry of Agriculture and Forestry** is the major player in pursuing this policy of the Government. The Ministry will work for:

- ▮ development of competitive agriculture and forestry and food-processing industry based on innovations;
- ▮ protection of natural resources and the environment in rural areas;
- ▮ improvement of the quality of life in rural areas.

All three objectives are directed to improvement of the economic and social conditions in rural areas. They are clearly oriented to raising the competitiveness of agricultural structures, the market effectiveness and living standards. The Government will support the development of the labour force in agriculture and the improvement of effectiveness of the agrarian vocational education and training. Within the time frame of the mandate of the Government the **Ministry of Agriculture and Forestry** will develop a National strategic plan and a Programme for development of rural areas in the period 2007 – 2013. The programme will contribute to the coordination of actions concerning the development of rural areas. The Ministry of Agriculture and Forestry will create an information system to meet the needs of the policy of development of rural areas and its planning and will actively encourage the development of biologic agriculture in Bulgaria. At the same time we will engage in sustainable, effective and environment-friendly management of forestry resources, hunting fauna and protected territories. The coalition Government will work for increasing the forestry territories in the country. The Ministry of Agriculture and Forestry will work for reduction of the area of un-rehabilitated woodcutting areas and the consequences of erosion processes. An important objective, which we set before us is to improve the ecologic functions and preserve the biological diversity of forests.

As a result of this policy the Government will create new employment opportunities for in the rural areas and for preservation of the natural environment through the implementation of ecological agricultural practices.

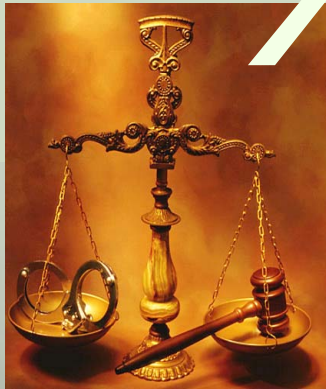
The Government will work in the direction of further fulfilment of the obligations entered into during the negotiation process with the European Union of building and strengthening effective institutions for the utilisation of the Structural funds and the Cohesion fund after the accession at national, regional and local level. A Paying agency will be created and an integrated system of administration and control will be introduced. The main efforts will be directed to further building the administrative and programme capacity at local and regional level in view of preparation and implementation of effective, beneficial to society investment projects.

We will create a unified co-ordination body for veterinary and phyto-sanitary control of the domestic market and of the safety of foods as well as a national system for control and protection of the health of animals.

With the aim of sorting out the issues related to ownership of farmland and improving land relations in compliance with the standards of the European Union a system for identification of farming land lots will be implemented and an Agrarian code will be adopted. The Government will restructure and improve the performance of the state fund "Agriculture", the "Tobacco" fund and the SAPARD programme in compliance with the Common Agricultural Policy of the European

Union. Agrarian science will be addressed for assistance as an active factor in agrarian production.

For the purpose of forest management and utilisation guaranteeing sustainable development of the sector a National strategy for sustainable development of forestry and agricultural activities will be adopted. A programme for reproduction of the forests by region and by tree types and permanent increase of the forest density in the country will be carried out. A national structure for forest management and accumulation of funds for forest reproduction will be built.



Resolute measures against organised crime and corruption

Accelerated judicial reform ensuring speedy, efficient, transparent, fair and accessible justice

Limiting corruption

Public control of the expenditure of public funds

Reliable border control

Effectiveness against organised crime

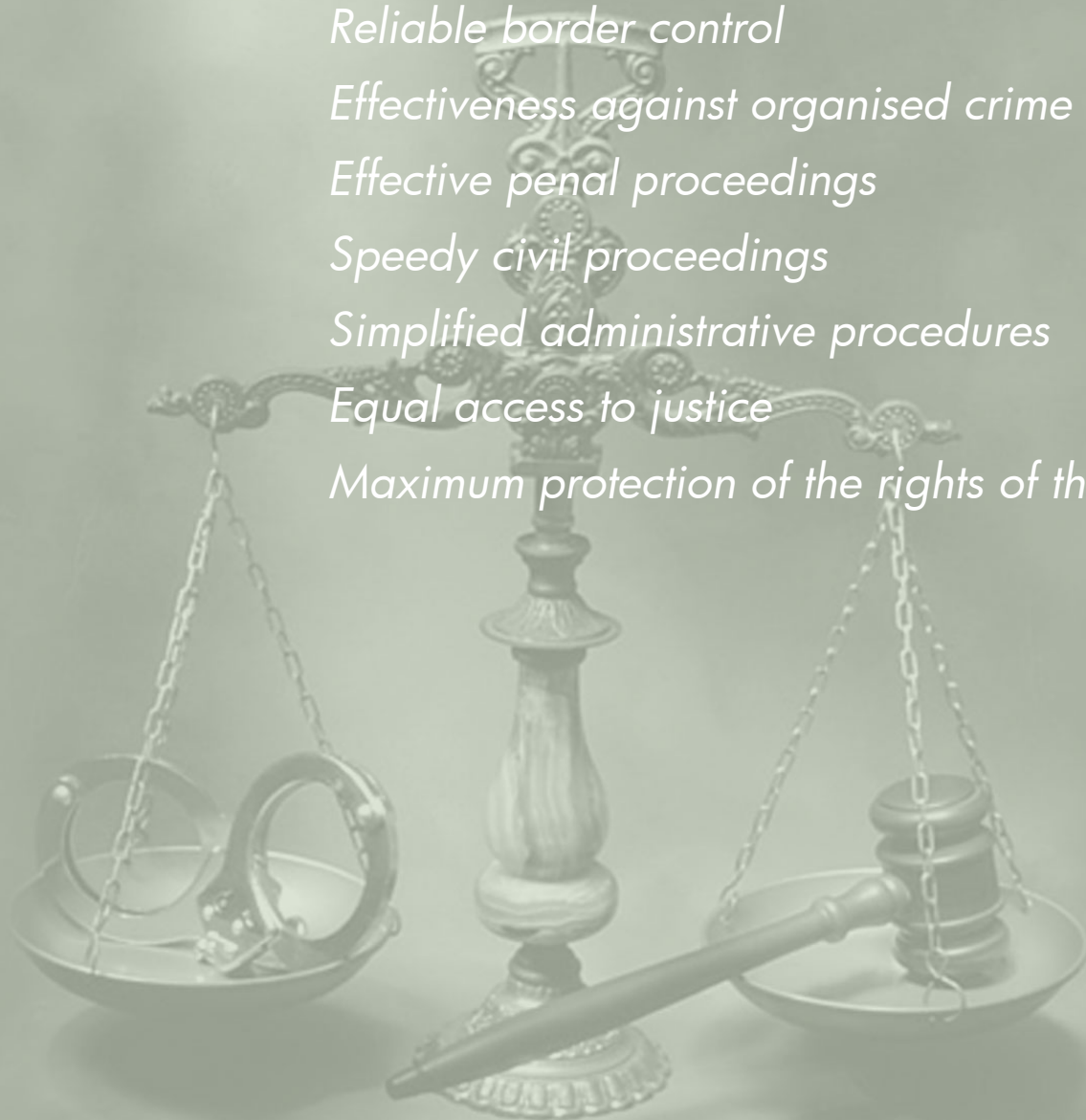
Effective penal proceedings

Speedy civil proceedings

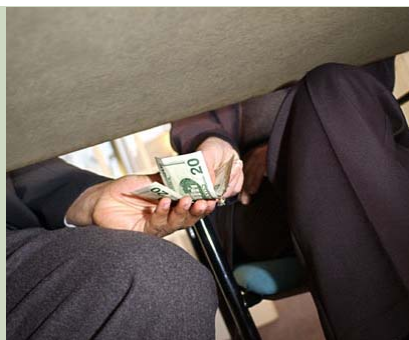
Simplified administrative procedures

Equal access to justice

Maximum protection of the rights of the citizens



VII. Resolute measures against organised crime and corruption. Accelerated judicial reform ensuring speedy, efficient, transparent, fair and accessible jurisdiction



VII.1. Resolute measures against organised crime and corruption

The Bulgarian Government is clearly aware of the fact that corruption poses a serious threat to the basic principles and values of modern democratic society, undermines the trust of citizens in democracy, destroys the supremacy of law, renounces human rights, and hinders social and economic development. An important criterion of the success of any government, of the role of civil society and of the introduction of modern standards of transparency and democratic control, is the achievement of evident results in the prevention of corruption practices.

We will undertake resolute measures to counteract and prevent corruption by designing guarantees for transparency and accountability in the activities of state administration, by setting up clear and effective rules of interaction between the citizens and the officials in the administration, by raising the transparency of taking decisions at administrative and governmental level, by strengthening the role of values as integrity and ethics in the public relations, by revealing and preventing corruption practices, by raising public confidence in institutions and by enhancement of public control and supervision.

1. Resolute measures for counteracting corruption and restraining the “hidden economy”

We are confident, that to counteract corruption clear boundaries must exist between admissible and inadmissible conduct, mechanisms, which would create an unfavourable for corruption institutional and legal environment, public awareness of the consequences of corruption and the reasons for its existence.

The Government of the Republic of Bulgaria through **the Ministry of Justice** will pursue a policy of development of the legal and institutional environment to counteract corruption by:

- ▢ provision of legal basis for the inspectorates with mechanisms and tools for prevention and counteraction of corruption;
- ▢ provision of legal basis and rules of protection of the people alerting to corruption;
- ▢ development in cooperation with the non-governmental sector of a new National strategy for counteracting corruption, focusing on prevention of high level corruption;
- ▢ training officials to counteract corruption;

- raising the public awareness of the possibilities for public control of the allocation and expenditure of budget funds;

- development of the institutional framework and coordination between the bodies for counteracting corruption. Strengthening the role of the inspectorates.

The Ministry of Justice in cooperation with **the Ministry of the State Administration and the Administrative Reform** will conduct training of the officials on counteracting corruption.

The Ministry of Justice will work jointly with the Supreme Judicial Council, the Commission for Counteracting Corruption at the Supreme Judicial Council and the National Institute of Justice on the development and introduction of programmes for compulsory training in professional ethics of all magistrates and officials in the judicial administration.

The Ministry of the State Administration and the Administrative Reform will work for an effective, transparent, responsible and reputable administration by:

- development of criteria and procedures for reliable control and accountability on all levels of operation of the administration;

- strengthening the capacity in the inspectorates to reveal and prevent conflicts of interest, fraudulent practices and other acts of misconduct;

- design and introduction of clear rules for evading conflict of interests in the case of state officials leaving the state administration and transferring to jobs in the private sector;

- development of the process of delivering “one-stop-shop” services focusing on service standards and communication channels and client feedback;

- continuing the process of implementation of the electronic government providing 24 h./7 d. access to the administration;

- compulsory training in professional ethics for all officials of the administration;

- coordination of the observing of the Law on Access to Public Information and the accountability to the public;

- introduction of centralised information systems of the state administration, such as: system for human resource management, documentation, electronic signature, national electronic public procurement system, electronic register “Complaints”, etc.;

- enhancement the effectiveness of the horizontal control on the operation of administrative structures in respect of application of civil service legislation through the operation of a control and supervision unit in the Ministry of the State Administration and the Administrative Reform and concentrating the control and sanctioning (penal) activity within the competence of the Minister of state administration and the administrative reform;

- monitoring and analysing the operations of inspectorates in view of the development of a common Methodology of inspection activity.

The Ministry of State Administration and Administrative Reform, jointly with **the Ministry of Justice** will develop a system of anti-corruption cooperation between

municipalities, central administration, the media and non-governmental organisations. In cooperation with all local administrations the Ministry will work on establishing a public councils for counteracting corruption.

The Ministry of Education and Science will pursue a policy directed to assessment of the corruption risk on all levels in education. In cooperation with all high schools and universities anti-corruption measures and programmes will be implemented.

The Ministry of Health will work for:

- ▢ determination of transparent criteria in alleged corruption cases in the health care system;
- ▢ development and implementation of criteria guaranteeing maximum impartiality and objectivity in performing the specialised medical supervision and monitoring of the quality of medical services and activities and the access to medical assistance, related to the realisation of obligatory and voluntary medical insurance;
- ▢ development of mechanisms guaranteeing transparent, effective and reasonable spending of health care funds including introduction of electronic health care in cooperation with the State Agency of Information Technologies and Communications;
- ▢ improvement of the effectiveness of the financial and medical control with respect to medical establishments and registration of conflicts of interest in the health care system;
- ▢ creation and maintenance of a system for accounting, monitoring and control of health insurance payments.

The Ministry of Labour and Social Policy will propose for public discussion the idea to modernise the system for supplementary stimulation and assessment of the control and supervising bodies. The objective is to ensure their independence, objectivity and impartiality and to bind the financial incentives to the results of the control and supervision activity.

The Ministry of Economy and Energy, the Ministry of State Administration and Administrative Reform and **the Ministry of Finance** will continue with the development and implementation of the policy of limiting the administrative regulation on the economic activity. Work will continue also for the reduction of regulative regimes and the transition of certain specific activities, related to licensing to the branch organisations with the state institutions being involved only to control, including control on the refusals for issue of permits and licenses.

The Ministry of Regional Development and Public Works will carry out a risk assessment in respect of the applicable legislation and procedures and their actual application in tenders for construction and road rehabilitation, including concession procedures.

The Ministry of Finance will pursue a policy against financial offences and of limiting the “hidden economy” by:

- ▢ raising the effectiveness of the customs control at border checkpoints and in the interior of the country through the application of information technologies and risk analysis methods, mobile and ex-post control;
- ▢ raising the effectiveness of the measures applied by the financial bodies for protection of industrial and intellectual property rights;

- strict application of the Law on Measures against Money Laundering;

- development and implementation of modern methodologies and techniques for revealing fraud indications, irregularities and corruption practices. The Ministry will continue working for increasing the reliability of the financial system against its use for money laundering and financing of terrorism by bringing the Bulgarian legislation in full compliance with the international standards in this field. In the long term for the purpose of promising permanent relations of trust and partnership between the financial institutions and the Financial Intelligence Agency, the Ministry of Finance will build and maintain a system for submitting feedback information from the Agency to the financial institutions.

The Ministry of Interior will continue pursuing a policy of application of resolute measures against organised crime and corruption, for neutralisation of the activities of organised criminal groups in the country by restricting their financial and economic sources and effective penal prosecution; by restricting the opportunities for drug distribution in the country and reduction of the usage of narcotic substances; by restraining and active counteracting corruption. This will be accomplished by:

- raising the effectiveness of operation in border control areas for restraining smuggling, trafficking in human beings, illegal traffic of goods and narcotic substances;

- active counteraction to narcotic substances traffic and narcotic substances distribution;

- upgraded system of anti-corruption co-operation between state institutions, non-governmental organisations and the media;

- protection of the financial resources received from European Funds by performing effective operative control of the implementation of projects linked with the European Union;

- active international cooperation with parallel police services for neutralisation of trans-border organised crime.

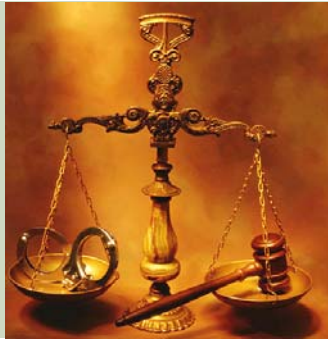
By pursuing this policy we will ensure a better public order and security; we will restrain the actions of organised criminal groups and the illegal traffic of narcotic substances and their distribution. It is our intention Bulgarian police to become a reliable partner of the European structures for counteracting trans-border organised crime.

To build trust and guarantee predictability of our actions to the public the Government intends:

- to adopt a Code of conduct of the ministers and persons appointed in the Executive on political grounds;

- to ensure transparency with regard to the property of high officials.

Institutional measures only would not be sufficient to counteract corruption. The introduction of a new type of political and economic culture of intolerance to corruption is needed and this would be impossible without the joint efforts of all state institutions, the media and citizens. The Bulgarian Government on its side will provide all support needed to activities of restraining corruption in the country.



VII.2. Accelerated judicial reform ensuring speedy, efficient, transparent, fair and accessible justice

The Government of the Republic of Bulgaria is fully aware of the need of accelerating the reform of the judicial system. We know that the improvement of the legislative and institutional framework of the judicial system is of exceptional importance to all Bulgarian citizens. Our Government will focus on building of a judicial system, which would protect to a maximum degree the rights and interest of the citizens and society and provide equal access to justice to everyone. The strengthening of the judicial system is of utmost importance for the successful membership of Bulgaria in the European Union. We are all set to work for the implementation of European standards in Bulgarian justice.

We must build with joint efforts an accessible and transparent in its operation judicial system capable of protecting to the full extent the individual rights and freedom of Bulgarian citizens. In the general European context the policy pursued by us in the field of justice will contribute to the consolidation of the space of freedom, security and justice in the whole European Union.

1. Immediate and concrete measures for accelerated improvement of the legal base. Reform of commercial justice and transferring the Commercial register out of the Judiciary. Discussion of possible amendments to the Constitution.

Our Government will work to achieve speedy, effective and transparent penal proceedings and will build an coherent system of investigation, prosecution and punishment of the guilty people. Training the magistrates and systematic review of their activity will ensure effective application of the new Penal Procedure Code. In the shortest possible period of time the Law on the Judiciary will be amended to comply with the Penal Procedure Code. By amendments to the Penal Code, certain crimes will be decriminalised and penalties will be arranged in a new way in accordance with the needs of society. We will introduce adequate legal protection of the victims of crime. Through legislation amendments we will improve the legal status of the victims in the penal procedure and outside. We will introduce a mechanism of protection and compensation of the victims of grave violent crimes.

The Ministry of Justice jointly with the Supreme Judicial Council will also carry out a reform in the administrative justice. With the adoption of a new Administrative Procedure Code and the creation of specialised administrative courts we will introduce a more simplified, accessible and understandable to the citizens administrative procedure; we will protect the rights of the citizens in their contacts with the administration and will limit the prerequisites for corruption.

We will continue the reform of commercial law; we will improve commercial justice and will introduce a simplified commercial registration ensuring transparent and facilitated access to information. With the adoption of the Law on the Commercial Register the registration of legal persons will be transformed from judicial to administrative procedure. In accordance with the future inclusion of our country in the commercial register of the European Union the Ministry of Justice will unite the information contained in the presently existing nine registers in a centralised

information system of unified registers. Jointly with the Supreme Judicial Council the Ministry will create autonomous commercial departments in district courts. The coalition Government will put forward also amendments to the Commercial Law in its sections of the trade representative and bankruptcy proceedings. With these changes and amendments put to effect we will substantially improve the investment climate in Bulgaria.

2. Functional changes for clear definition and delimiting of the powers of courts, as the decisive body with respect to the nature of the dispute, and the prosecutor's office; delimiting the functions between the bodies of the pre-trial phase; improving the coordination of the activities of all units

We will work for achieving a more precise balance between the individual authorities. By amendments to the legal base we will achieve a more effective interaction between the bodies of the different powers in exercising the state policy in the judiciary, and the possibility for mutual control will be guaranteed.

3. Procedural changes for greater speed and effectiveness – restoration of the two-instance proceedings for some categories of lawsuits, changes in the jurisdiction; procedural prerequisites for speeding up the cases and against unnecessary protraction. Implementation of private judicial execution

The coalition Government will work for raising the effectiveness of civil proceedings and optimising the ratio between achieving the truth in the dispute and achieving speed of its resolution by a judgment that has entered in force. The appeal procedures will be rearranged, the role of the first instance will be increased and we will organise the completion of the mass types of cases in a speedy and simplified manner. We possess the will to speed up the executive procedures and to introduce changes in some specific claim proceedings. With the objective of stimulating the civil and commercial case turnover by rapid and effective execution of court judgments **the Ministry of Justice** will introduce the private judicial execution. The activity of the private judicial executors will be organised in the most effective manner and a mechanism of adequate control of their performance will be introduced. Before the end of the year 2006 a new Civil Procedure Code will be adopted.

We will implement amendments in the substantive and procedural legislation, which will ensure optimisation of the jurisdiction in labour dispute lawsuits. The Ministry of Justice will analyse the results and will discuss the possibilities for the introduction of alternative means for resolution of labour disputes and/or the creation of specialised labour courts.

The policy of the coalition Government will be directed also to the introduction of the system of alternative resolution of disputes. The Institute of Mediation will be created to achieve speedy and effective out-of-court disputes resolution and Bulgaria will come closer to the best European practices in this field.

4. Organisational changes for improvement of the control over movement of cases, building a Unified information system for counteracting crime, raising the qualification

The application of the EU acquis will increase the demand for human resource and technical means to meet the needs of justice. During the next four years the **Ministry of Justice jointly with the Supreme Judicial Council** will work for strengthening the law-enforcement capacity and improvement of the administrative activities of the judicial system. A mechanism for planning the appointment in the judicial system will be introduced. The competition principle will become a common practice on initial appointment to the judicial system and evaluation criteria of

the work of magistrates will be created for their promotion or transfer to a lower position, which will guarantee an impartial and precise assessment for their career planning.

The policy of the Government will be directed to implementation of up-to-date information technologies in the judicial system. Computers and computer network equipment will be installed in courts to facilitate the introduction of national information systems.

To increase crime detection and the effectiveness of preventive action the **Ministry of Justice in cooperation with the Ministry of Interior, the Ministry of Defence, the Ministry of Finance and the Supreme Judicial Council** will introduce a unified information system for counteracting crime, which will ensure interaction and data exchange related to the flow of the penal process and execution of penalties.

The Ministry of Justice in coordination with the **Supreme Judicial Council** will work for the introduction of a unified electronic system for random distribution of cases, unified national system for lawsuit management, and unified system for document workflow management and of a unified system for issue of criminal records. In this way we will accelerate the filing, movement and closure of cases, we will improve the transparency of justice, restrain corruption and reduce the average workload per magistrate, which will bring about greater effectiveness and higher quality of their work.



Accession of the Republic of Bulgaria to the European Union on January 1st, 2007 and full participation in the Union's bodies and institutions. Active and predictable foreign and security policy

The Republic of Bulgaria in the European Union at the beginning of 2007

Acceleration of reforms

Strict administration of the European Union law

Protection of the national interest and active European policy

Enhancement of our Euro-Atlantic relations

Active participation in guaranteeing international peace and security

Cooperation with our neighbours

Participation in the European policy of "new neighbouring relations"

Support for Bulgarian communities abroad

Effective defence capabilities

Effective management of crises

VIII. Accession of the Republic of Bulgaria to the European Union on January 1st, 2007 and full participation in the Union's bodies and institutions. Active and predictable foreign and security policy



VIII.1. Accession of the Republic of Bulgaria to the European Union on January 1st, 2007 and full participation in the Union's bodies and institutions.

1. Priority fulfilment of the obligations assumed during the negotiation process in all sectors – timely implementation of all necessary reforms for membership in the European Union

Bulgaria completed successfully the negotiations for accession to the European Union. Bulgaria signed the Accession Treaty of the Republic of Bulgaria to the European Union on April 25th, 2005 and it was ratified by the National Assembly. The ratification process by the Member States has begun, and we are convinced that Bulgaria deserves to become a full member of the European Union without delay on the 1st of January 2007. We are proud of the individual efforts of the Bulgarian citizens and of the common effort of the Bulgarian people for the progress achieved during the past hard years. Our membership in the European Union creates an unprecedented opportunity for prosperity of the Bulgarian nation and we will give our active support for the formation of a Bulgarian society aware of its abilities in the EU.

We commit ourselves to strictly fulfilling the obligations to the European Union and European legislation. We are aware of the significance and we are convinced in the importance of the timely implementation of the reforms not only because of our membership in the European Union but with the objective to fulfil our programme of improvement of the life of Bulgarian citizens and to offer opportunities for development to the business. We believe that only through successful reforms we will be able to raise the living standard in Bulgaria.

The Government of the Republic of Bulgaria engages itself through:

The Ministry of Labour and Social Policy - to accelerate the reforms in the social sphere.

The Ministry will undertake measures for preparing the Bulgarian nationals for free movement within the domestic market of the European Union. To achieve this, further improvement and coordination with the social insurance systems of the Member States of the European Union will be required. The Ministry of Labour and Social Policy will:

- ▢ fulfil the commitments of Bulgaria to the European Union in the field of social policy and employment;
- ▢ work on improving the living conditions of disadvantaged and disabled people;

- continue monitoring the strict compliance with the European anti-discrimination legislation;
- ensure the effective application of the requirements for health and safety at work in accordance with the European legislation.

The Ministry of Justice – to accelerate the judicial reform

The Ministry will work towards ensuring a speedy, efficient, transparent, fair and accessible delivery of justice that is interest of the Bulgarian society. The Ministry of Justice will work towards:

- ensuring full-fledged participation of Bulgaria in the field of justice and judicial cooperation in the EU and the country's effective joining in the area of freedom, security and justice;
- improving the systems for alternative dispute resolution and increasing the effectiveness of the enforcement of judgements for protection of the rights of citizens and businesses;
- achieving a full conformity with and effective implementation of the EU-requirements in the field of company law so that the Bulgarian companies reach success on the domestic market of the EU.

The Ministry of Interior - to continue the reforms in the field of:

- Improving coordination among police, investigation and prosecution bodies;
- Fighting Corruption and Organised Crime;
- Improving the technical and information service in the system of the Ministry of Interior;
- Successful completion of the process of full-fledged integration in the European area of freedom, security and justice.

The Ministry of Economy and Energy will continue the reforms through:

- Ensuring conditions for the effective functioning of the Bulgarian business in the domestic market of the EU;
- Creating conditions for the participation of the Bulgarian energetics in the energy market of the EU;
- Promoting the communication campaign for elucidating the conditions, advantages and challenges for the business resulting from the membership in the EU;
- Continuing the pursuance of an active consumer protection policy.

The Ministry of Regional Development and Public Works will carry out the priorities in the sphere of regional policy by:

- Creation of prerequisites for balanced development of the regions and effective utilisation of public investment and financing from the European Union funds;

- Improving the investment climate;
- Stimulating the process of decentralisation and strengthening local government;
- Building and developing the infrastructure of the country.

The Ministry of Transport will work for the development of the transport sector by:

- Bringing the Bulgarian transport legislation in compliance with EU law and pursuing an active policy of its application;
- Integrating all types of transport in the Common Transport Policy of the European Union;
- Improving the competitiveness of the different types of transport on the domestic market of the European Union;
- Developing the transport infrastructure of the country as an integral part of the Trans-European Transport Network and as an additional guarantee for the improvement of citizens' safety on the road.

The Ministry of Environment and Waters to pursue a policy of:

- Fulfilment of the obligations to the European Union in all sectors of the sphere of the Common Environmental Policy;
- Integration of the environmental policy into the policies of development of the different branches of the economy of the country for achievement of sustainable development;
- Reduction of the harmful impacts and prevention of risks and damages to human health and to the environment with the aim of improving the quality of life of the Bulgarian citizens;
- Protection and preservation of the waters, mineral resources and lands as a strategic national resource;
- Preservation, protection and reproduction of wild flora and fauna species and their genetic resources and habitats as well as notable natural monuments;
- strengthening the capacity for completion of the public investment programmes in the area of environmental protection;
- improvement of waste management.

The Ministry of Agriculture and Forestry to pursue an effective policy in the area of agriculture by:

- Effective utilisation of the resources of the European Funds for the application of the Common Agricultural Policy and fulfilment of the obligations to the European Union;
- Developing an effective and competitive agricultural sector;
- Supporting the sustainable development of the rural regions;

- Managing effectively the agricultural land resources and developing land property relations.

The Ministry of the State Administration and the Administrative Reform to carry out the administrative reform by:

Building a professional and stable administrative capacity on central, regional and local level for effective and efficient management of the resources of the Structural Funds and the Cohesion Fund of the European Union by:

- strengthening of the capacity of the Management bodies and the Intermediate Units of Executive Programmes;
- strengthening the administrative capacity on regional and local level for working on projects financed by the Structural Funds and the Cohesion Fund of the European Union;
- attracting the social and economic partners.

Defining and implementing policies with the purpose of continuing the modernisation of the state administration in line with the practices of the Member States of the European Union, on central, regional and local level, by:

- application of the principles of good management, innovative methods and techniques of management;
- development of human resources by targeted training;
- development of the electronic government;
- raising the business and citizens' satisfaction with the delivered services.

The Ministry of Education and Science to undertake actions for:

- development of measures for the application of the achievements of the European Union law in the field of mutual recognition of academic education and professional qualification;
- creating opportunities for development of a knowledge-based economy;
- introduction of the European dimensions in education on all levels.

The Ministry of Foreign Affairs to pursue an active policy of:

- Participation of Bulgaria in the Common Foreign and Security Policy of the European Union and the European Security and Defence Policy.

The Ministry of Defence to work for effective participation in developing the European Security and Defence Policy of the EU.

The Ministry of Health – to fulfil the obligations to the European Union in the field of protection of human life and health.

The Ministry of Culture to promote Bulgarian culture in the European Union and to encourage its participation in European cultural initiatives and programmes.

The State Agency of Information Technologies and Communications will continue its work on achievement of full compliance of the legislative framework in the field of information society and communications with the requirements of the European Union.

2. *Building administrative capacity, which shall provide effective protection of national interests and participation in the framework of the institutions of the European Union, including utilisation of resources of pre-accession instruments, the Structural Funds and the Cohesion Fund of the European Union*

The preparation and the forthcoming full-fledged membership of the Republic of Bulgaria in the European Union are associated with new challenges facing the Bulgarian administration. Building and strengthening of the administrative capacity for effective application of the European legislation in all spheres are among the primary tasks of the Bulgarian government. We set as our priority objective the ensuring of full participation of Bulgaria in the work of the bodies and institutions of the European Union – in the beginning as an active observer and from the date of becoming a Member State – as a full member. The Government sets as its goal the successful utilisation of the European Union funds in order to create a better living environment for the Bulgarian citizens and better opportunities for the Bulgarian companies.

The Ministry of the State Administration and the Administrative Reform will continue its work on strengthening of the administrative capacity. The Ministry will work for greater transparency, control and accountability of the administration.

The Government of the Republic of Bulgaria through the coordination mechanism for European integration will ensure the effective Bulgarian participation in the work of the bodies and institutions of the European Union by:

- effective interinstitutional coordination on matters related to the European Union;
- enhancing the administrative capacity for participation in the work of the bodies and institutions of the European Union;
- efficient utilisation of the European Union funds in public interest;
- adoption of a National plan for development for the period 2007 – 2013 and operation programmes;
- creation of a centralised information data base for monitoring and control of the projects of the operation programmes;
- intensification of the internal financial control for prevention of fraud with the European Union funds;
- training of the staff of the central, regional and local administrations in project and programme management;
- inclusion of the social and economic partners at all phases of the project cycle in the operation programmes;
- integration of the system of the state administration with the European system for services of the electronic government.

3. *Turning European policy into internal policy for Bulgaria and full acceptance of the priorities of the European Union*

The accession of Bulgaria to the European Union is linked with the inclusion of our country in the common policies of the Union and its active participation in their formation. We are aware of the fact that in this way the policies of the European Union are transformed into internal policies of the country. This is another indication of the necessity of the European Union coming closer to every single citizen or company.

The Government of the Republic of Bulgaria will guarantee achieving harmonisation of the policies and the decisions taken on EU level with the decisions taken on national level. The coalition government will work in compliance with the priorities of the European policies, including the field of the European Union's growth and jobs strategy and the creation of European area of freedom, security and justice.

Within the limits of the pursued fiscal policy, national co-financing will be provided to full extent of the priority projects and programmes financed by European Union funds.

4. *Active international activity focusing on the ratification of the Treaty of Accession of the Republic of Bulgaria to the European Union by all Member States*

The process of accession of the country to the European Union requires successful completion of the process of ratification of the Accession Treaty of the Republic of Bulgaria to the European Union by all Member States. The Bulgarian government through **the Ministry of Foreign Affairs** and all other state institutions will make active efforts towards:

- ▢ ensuring timely ratification of the Treaty of Accession of the Republic of Bulgaria to the European Union;
- ▢ intensifying the dialogue with the Member States of the European Union in relation with the ratification.

5. *Systematic work for building the image of Bulgaria as a reliable partner with its own contribution to the strengthening and development of the European Union*

With the accession to the European Union, Bulgaria transforms itself from a country applying the policies of EU into a country participating in the development and formulation of European policies and an equal partner of the other Member States of the European Union. The Bulgarian government sets as its objective the creation of an image of Bulgaria as a reliable partner contributing to the development and strengthening of the European Union.

One of the conditions for Bulgaria to become a reliable partner is to maintain a consistent position at the different levels of participation in the work of the European Union. The Bulgarian government will fulfil the obligations towards the European Union. We will pursue a consistent internal and foreign policy. We are aware of the significance of reliable border control and the introduction of the European practices and standards for ensuring a secure external border of the European Union. One of our important tasks is the prevention of the misuse of the funds of the European Union and the protection of the financial interests of the European Union. We will turn environmental protection into a primary concern in order to provide better living conditions for the Bulgarian citizens.

6. Undertaking effective measures for informing and involving of broad business and public circles in the formation and pursuing the EU policy in the country

The membership in the European Union is not an end in itself, it is in the interest of all Bulgarian citizens and companies. An important objective of the government will be informing the public of the positive aspects and responsibilities resulting from the membership in the European Union. We rely on the commitment, partnership and assistance of the civil society for a wide dissemination of information about the European Union. The Bulgarian government will undertake active measures for effective participation of our country in the Common Agricultural Policy of the European Union. Our goal will be the keeping and strengthening the position of Bulgarian agriculture on the European and global markets in compliance with the priorities and measures, which are accepted in the framework of the European Union. The successful participation in the Common Agricultural Policy of the European Union is related to the adoption and strict application of the EU legislation in this area, as well as to carrying out a communication campaign among the Bulgarian farmers about their rights and obligations. The Government will undertake measures for the effective implementation of the legislation in this sphere and for the explanation of the advantages and challenges of the participation of Bulgaria in the Common Agricultural Policy of the European Union. We are aware that the development of Bulgarian agriculture is closely linked to the Common Agricultural Policy of the European Union and we will protect the interests of our country during the preparation of the new legislation in this area.

The accession of Bulgaria to the European Union is linked also to the participation of the country in the Common Fisheries Policy. With the present accession the Black Sea equatorials will become a part of the waters of the European Union and the government will pursue also an active policy in this sphere.

The Government through **the Ministry of Agriculture and Forestry** will work towards:

- ▢ full introduction of the requirements of European legislation in the area of agricultural policy;
- ▢ paying special attention to the introduction of the requirements of the domestic market of the European Union with respect to the veterinary and phyto-sanitary issues, which will contribute to improvement of the citizens' life and health;
- ▢ effective application of the mechanisms of the Common Agricultural Policy on in the separate sectors;
- ▢ accreditation of the Paying agency for making the payments related to the Common Agricultural Policy of the European Union in view of the opportunity Bulgarian farmers to benefit from the mechanisms of this policy;
- ▢ successful utilisation of the funds of the European Union in the area of the Common Agricultural Policy of the European Union;
- ▢ active participation in the work of the European institutions, which determine the Common Agricultural Policy of the European Union;
- ▢ dissemination of information among the business entities and the citizens about the advantages and challenges of the participation of Bulgaria in the Common Agricultural Policy of

the European Union, as well as of information about the results of the meetings of the European institutions in the process of formation of the policy of the European Union;

- support for the restructuring of the enterprises for production, processing and preservation of raw materials and foods of animal origin and stimulation of the competitiveness of Bulgarian agriculture on the domestic market of the European Union.

The Bulgarian government will also carry out active measures for the successful participation of the country in the Common Fisheries Policy by:

- development of fishing and aquaculture as well as preservation of the fishing resources in compliance with the Common Fisheries Policy ;

- full introduction of the requirements of European legislation in the area of fisheries policy;

- further strengthening of the administrative capacity in the area of fisheries policy;

- successful utilisation of the funds of the European Fisheries Fund.

7. 7. Active participation in European cultural initiatives and programmes

The government will raise the role of Bulgarian culture as a bearer of our own national values in the community of European countries. Our goal is to continue with the promotion of the Bulgarian cultural heritage and traditions. The government of the Republic of Bulgaria through:

The Ministry of Culture will work for:

- pursuing a policy of active participation in the European cultural initiatives and programmes for integration of Bulgarian artists and cultural products in the European and world cultural exchange;

- strengthening of the role of Bulgaria as a factor for the development of the European cultural policy;

- protection of the Intellectual Property rights in compliance with the European and international standards;

- increasing the capacity for participation in the programmes and initiatives of the European Union in the field of culture, cultural policy and cultural heritage.



VIII.2. Active and predictable foreign and security policy

The government of the Republic of Bulgaria will work during the whole term of its mandate for establishing of our country as a reliable partner of the Member-States of NATO, the European Union and the Organisation for Security and Co-operation in Europe (OSCE). We believe that by pursuing a consistent foreign and security policy Bulgaria will reaffirm itself as an important factor in international relations and as a basic source of stability in South-East Europe.

During the last years we achieved successfully the basic strategic objectives in the field of foreign and security policy. Bulgaria joined NATO and signed the Treaty of Accession to the European Union. We established relations of close cooperation and strategic partnership with many countries, accumulated also valuable experience as a non-permanent member of the Security Council of the United Nations and a non-permanent chairman of the OSCE. The coalition government will continue working for raising the international prestige of the Republic of Bulgaria and for turning it into an active member of the European Community and the North Atlantic Alliance.

We are perfectly aware of the new role Bulgaria has to play in a dynamically developing world and during the following years our foreign policy will be directed towards ensuring prosperity for all Bulgarian citizens. The Bulgarian government will continue working for:

1. Intensifying the economic and cultural cooperation in South-Eastern Europe

Bulgaria is a key factor for the stability on the Balkans. During the coming years we will work for the intensification of the regional partnership in South-Eastern Europe and for retaining our role of a principle guarantor of security in the region. The government is aware of the fact that the road to sustainable development and stability of the region passes through the Euro-Atlantic integration of our neighbours and Bulgaria intends to play a leading part in this process. For the success of these tasks we will pursue an active policy of economic and cultural cooperation. The government is clearly aware that this will lead to increased security, will stimulate the development of stable democratic societies and will contribute to the economic and social prosperity and well-being of the region.

The coalition government will work for the implementation of the principal infrastructure projects in South-Eastern Europe.

2. Development of active political, economic and cultural relations with the USA and Russia

During the whole term of its mandate the government will keep its relations of strategic partnership with the USA and will work for further activation of the political and economic relations between the Republic of Bulgaria and the USA. We believe in the development of Bulgarian-American economic cooperation and in the implementation of joint projects for the fulfilment of our common interests. Bulgaria will work on the expansion of the cooperation in the

scientific, educational and cultural exchange. The government will support also the good interaction with the non-governmental organisations of the two countries. The coalition government will make efforts for the successful completion of the negotiations on placing of joint military equipment in Bulgaria.

At the same time we are convinced in the importance of keeping close and friendly relations with Russia, Ukraine and the rest of the countries of the Commonwealth of Independent States (CIS) and Bulgarian diplomats will work for expanding the traditional friendly relations between us. **The Ministry of Foreign Affairs** and **the Ministry of Economy and Energy** will continue the work for intensification of the commercial and economic relations between Bulgaria and Russia. Through our active interaction with the Russian Federation we will contribute to the implementation of the trans-European projects in the gas and oil sectors and will take part in the guaranteeing the energy stability in Europe. At the same time the policy of the Bulgarian government will be coordinated and compliant with the dialogue NATO – Russia and the European Union and Russia. The social-liberal coalition will work for the expansion of the relations of strategic partnership with Ukraine and will intensify the relations of Bulgaria with states of the Commonwealth of Independent States (CIS). Bulgaria will undertake clear commitments for realisation of the EU policy for “new neighbourhood” and the stabilization of this zone.

3. Activation of the relations with traditional and new partners from the Middle East, Asia, Africa and Latin America

The Bulgarian government will pursue an active policy in respect of the countries in the Middle East, Asia, Africa and Latin America. In the following years we will deepen our present cooperation with the countries in these regions and at the same time we will create new partnerships.

The Ministry of Foreign Affairs will work for the development of our relations with the countries from the Middle East and Africa and the activation of our bilateral cooperation. We hope to resolve also a part of the issues related to the outstanding payments of some Arab countries to Bulgaria.

Bulgaria will continue to contribute to the stabilisation and restoration of Iraq and Afghanistan.

The government is aware of the growing importance of the Asian countries not only for the development of the world economy but of the Bulgarian national economy as well. We will work for expansion of the access to local markets and energy sources and for the attracting investments and new technologies. The government will direct its efforts to establishing strategic partnerships with Japan and India, and a partnership with China in accordance with the policy of the European Union. We will also work for the expansion of the relations of our country with the Republic of Korea and Australia and other influential countries of the Asia-Pacific region.

The governmental policy in Latin America will focus on the continuation and intensification of our traditionally good and friendly relations and on seeking new opportunities for activation of the commercial and economic partnership.

4. Care for Bulgarians and Bulgarian nationals living abroad

We consider the protection of the interests of Bulgarian citizens abroad to be a basic priority of ours. During our whole mandate we will deliver active support to Bulgarian communities abroad to preserve and develop their national identity, culture and spiritual values.

The Ministry of Foreign Affairs will protect the interests and rights of our compatriots abroad. The government has received the support of the international community and is resolved to proceed with all possible diplomatic actions for setting free the Bulgarian nurses in Libya.

5. *Recognition of Bulgaria as a consistent, reliable and predictable partner in NATO*

The membership of Bulgaria in NATO will contribute to the secure future of the Bulgarian citizens and we will persist in being an equal partner in NATO. We are aware of the fact that to be an equal partner we will need the support of all Bulgarians. We rely on it and will pursue an active and predictable foreign policy.

Under the present conditions of globalisation and in view of the changes, which have occurred in the nature of threats to international security, Bulgaria will continue to be an ally in the anti-terrorist coalition and an active participant in the processes of guaranteeing international peace and security. We will work together with the international community to meet global challenges, such as international terrorism, trans-national organised crime, illegal traffic of weapons and narcotic drugs, money laundering, trafficking in human beings and illegal migration.

To achieve these objectives **the Ministry of Foreign Affairs** and **the Ministry of Defence** will guarantee the Bulgarian participation and interests in the formulation of the defence policy of NATO and will continue carrying out its international commitments.

6. *Development of effective defence capabilities*

We believe that in the modern world security is a key factor for the economic development of every democratic country. The achievement of stability and security is an important condition for the realisation of the national interests of Bulgaria and a prerequisite for the complete development of every citizen.

A priority in the operation of **the Ministry of Defence** will be the continuous and adequate development and upgrading of the collective and national defence capabilities. The membership of our country in NATO requires performing changes in the Bulgarian defence system. We plan to transform it as well as to modernise our armed forces.

The defence policy of the Republic of Bulgaria will be carried out in an open and responsible manner; it will be based on broad public and political support. The policy of the government will be oriented towards the introduction of modern methods and practices of improvement of the control and operation of the system of defence and to the interaction of the institutions in the national system for security and defence.

The policy of the Ministry of Defence will be also directed to building mobile, effective and thoroughly supplied Bulgarian armed forces, capable of defending the country and of participating on an equal basis in the system of collective security. We plan to modernise the command structure of the armed forces, to improve the career development and to raise the social status of the Bulgarian military personnel. By the end of 2006 we will complete the professionalisation of the air forces and the navy forces. This process will be accelerated in the land forces as well.

We are aware of the fact that our armed forces are considerably lagging behind our allies from technological point of view. To overcome this problem we will speed up the process of setting up and assimilation by Bulgarian Armed forces of modern weapon systems, technologies

and we will involve the Bulgarian scientific potential. We intend to link the processes of modernisation of the armed forces with the economic priorities of the government.



VIII.3. Effective management of crises

The floods in the last months put Bulgaria in an extremely serious situation. The homes of thousands Bulgarian citizens were demolished. Tens of thousands compatriots lost their possessions. Many kilometres of roads were destroyed. The traffic across the country was paralysed for days. For the time of the crisis many people remained isolated – without food, without fresh water, electricity, without hope.

The crisis, which occurred, demonstrated explicitly the need of a purposeful state policy in this field. We believe that the Bulgarian citizens have the right to expect more effective and timely actions on part of the government in similar situations.

We realise to full extent the need of effective management to guarantee the interests and rights of the Bulgarian citizens in crises, natural disasters and accidents. The absence of a structure responsible for the prevention of crisis situations and the violation of the principle of undivided authority in crisis management, lead to uncoordinated and slow response on behalf of the institutions. For this reason we established the **Ministry of State Policy for Disasters and Accidents**, which will unite the existing bodies and institutions involved in prevention, response, management and restoration in case of crises. The Ministry will manage and coordinate all necessary actions in such situations.

We will create an effective and efficient, adequately ensured with technical and material supply system for prevention, preparation, response and rehabilitation in crises, to meet the real needs of the Bulgarian citizens in this type of events.

Our policy will focus on the creation of a unified model of action in crisis situations, of effective communication in crisis management, of increased transparency of the actions of the administration in crisis management.

We will propose amendments to the Crisis Management Act and we will propose to the National Assembly a draft of an Act on Protection of the Population and National Economy in Cases of Disasters and Accidents. The Ministry of State Policy for Disasters and Accidents will include the units of the State Agency "Civil Protection" and the units of the National Fire and Emergency Service. Starting from January 1st, 2006 the State Agency for State Reserves and Wartime Stocks will be transferred to the Ministry of State Policy for Disasters and Accidents as a secondary level budget spending unit at the Ministry of State Policy for Disasters and Accidents. In accordance with the implementation of the directives for membership of the Republic of Bulgaria in the European Union we will create jointly with all ministries and institutions a National System for Emergency Calls with a single telephone number "112".

The Ministry of State Policy for Disasters and Accidents will work for building administrative and technical capacity for undertaking effective actions in overcoming crises and

protection of critical infrastructure on national and regional scale and in coordinating the actions with the respective institutions. By the end of the year 2006 the Ministry jointly with Bulgarian and international consultants, non-governmental organisations and in close cooperation with the state administrations will develop a National Strategy for Protection of the Population and the Critical Infrastructure and National Plan for Action in Crises for the period till 2009. It will be submitted for consideration by the Council of Ministers.

The policy of the Ministry will be directed also towards improving the skills and raising the preparedness of the government bodies, the legal persons and the citizens in the country in such type of situations. The Ministry of State Policy for Disasters and Accidents and the Ministry of Education and Science will undertake actions for improvement of the education in secondary and higher schools in the area of civil protection. Jointly with insurance companies we will develop policies of prevention and of raising the insurance culture of the population. The Ministry will develop also standards of crisis preparedness– specific criteria of compliance, which must be met by all state administrations.

We plan to provide funding for the state policy in crises and disasters not only with means from the state budget of the Republic of Bulgaria. We will direct our efforts to attracting funds from the Phare Programme and also from international donor organisations dealing in management of crises of civil nature. We will focus mainly on raising the professional qualification of the bodies involved in management of crises and accidents. In parallel we will do our best to renovate the equipment of the regional divisions. The modernisation will be done in compliance with the international standards.

We believe that the qualified and prepared administrative personnel, the modern technical equipment and the local campaigns guarantee the success of the state policy in the area of disasters and accidents. For the successful implementation of all measures related to the state policy for disasters and accidents we will rely on the effective dialogue with all governmental institutions, as well as with the social partners and civil organisations.