



EUROPEAN  
COMMISSION

Brussels, 2.7.2025  
SWD(2025) 179 final

**COMMISSION STAFF WORKING DOCUMENT**

**Analysis of the recovery and resilience plan of Bulgaria**

*Accompanying the document*

**Proposal for a COUNCIL IMPLEMENTING DECISION**

**amending Implementing Decision (EU) (ST 8091/22 INIT; ST 8091/22 ADD 1) of 4 May 2022 on the approval of the assessment of the recovery and resilience plan for Bulgaria**

{COM(2025) 379 final}

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## **1. SUMMARY OF THE ASSESSMENT OF THE PLAN**

State aid and competition rules fully apply to the measures funded by the Recovery and Resilience Facility. Union funds channelled through the authorities of Member States, like the RRF funds, become State resources and can constitute State aid. When this is the case and State aid is present, these measures must be notified and approved by the Commission before Member States can grant the aid, unless those measures are covered by an existing aid scheme or comply with the applicable conditions of a block exemption regulation, in particular the General Block Exemption Regulation (GBER) declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 TFEU<sup>1</sup>. When State aid is present and it requires notification, it is the duty of the Member State to notify State aid measures to the Commission before granting them, in compliance with Article 108(3) TFEU. In this respect, the State aid analysis carried out Bulgaria in the recovery and resilience plan cannot be deemed a State aid notification. In as far as Bulgaria considers that a specific measure contained in the recovery and resilience plan entails de minimis aid or aid exempted from the notification requirement, it is the responsibility of Bulgaria to ensure full compliance with the applicable rules.

### **1.1. The principle of ‘do no significant harm’**

The modified Bulgarian recovery and resilience plan including the REPowerEU chapter is expected to continue to ensure that no measure included in the plan does significant harm to environmental objectives, within the meaning of Article 17 of the Taxonomy Regulation.

Bulgaria’s REPowerEU chapter includes a systematic assessment of each measure against the principle of ‘do no significant harm’ (DNSH), for each of the six environmental objectives within the meaning of Article 17 of the Taxonomy Regulation. The assessment follows the methodology set out in the Commission’s technical guidance on the application of ‘do no significant harm’ under the Recovery and Resilience Facility Regulation (2021/C58/01). Based on information provided by Bulgaria, there is either no risk of significant harm, or where a risk is identified, a more detailed assessment is performed demonstrating the absence of significant harm.

While Bulgaria’s assessment stresses the positive impact mainly on climate objectives, it also provides information allowing to assess that measures will comply with the ‘do no significant harm’ principle.

The measures included in the REPowerEU chapter comply with the DNSH principle. None of the measures included in the REPowerEU chapter requires a DNSH derogation or the introduction of specific DNSH conditions in the milestones and targets. The investment in electricity storage

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<sup>1</sup> Commission Regulation (EU) 2023/1315 of 23 June 2023 amending Regulation (EU) No 651/2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty and Regulation (EU) 2022/2473 declaring certain categories of aid to undertakings active in the production, processing and marketing of fishery and aquaculture products compatible with the internal market in application of Articles 107 and 108 of the Treaty, OJ L 167, 30.6.2023, p. 1–90, available at: <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=CELEX%3A32023R1315>.

(investment 2) is a scale-up of the existing investment 8 of component 4, for which the assessment of compliance with DNSH remains unchanged. As regards the deployment of photovoltaic systems and electric vehicles for the provision of social services (investment 3), Bulgaria confirmed that only zero-emission vehicles will be supported, and stated that the installation of photovoltaic systems in existing buildings has the potential to reduce the use of energy, produced from non-renewable energy sources, increase energy efficiency, and significantly reduce GHG emissions due to not use of fossil fuels for energy production. Investment 4 concerning support for new capacities for electricity generation from renewable sources and electricity storage was already included in the RRP as investment 6 of component 4 Low carbon economy; the assessment of compliance with the DNSH principle remains unchanged. The investment concerning the establishment of an information system on energy poor and vulnerable households (investment 1) is expected to pose no to very low risk for the environment.

Taking into consideration the assessment of all the measures envisaged, no measure for the implementation of reforms and investments projects included in Bulgaria's REPowerEU chapter is expected to do a significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 (the principle of 'do no significant harm'). This warrants a rating of A under the assessment criterion 2.4 of Annex V to the RRF Regulation.

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*The nature and extent of the proposed modifications to Bulgaria's recovery and resilience plan do not have a material impact on the previous assessment (rating of A) that no measure for the implementation of reforms and investment projects included in the plan is expected to do a significant harm to environmental objectives within the meaning of Article 17 of Regulation (EU) No 2020/852 (the principle of 'do no significant harm'), as reflected in the previous SWD (2022) 106 final.*

## **1.2. Green transition**

The modified recovery and resilience plan including the REPowerEU measures continues to significantly contribute to the green transition, including biodiversity, as well as to the achievement of the Union 2030 climate targets while complying with the objective of EU climate neutrality by 2050.

All the measures in the REPowerEU chapter are expected to significantly contribute to the green transition as well as to the achievement of the Union 2030 climate targets and of EU climate neutrality by 2050. Moreover, the measures included in the REPowerEU chapter address three out of the six objectives pursued by the Regulation.

Under the REPowerEU chapter, reform 1 and investment 1 contribute to addressing energy poverty by strengthening the governance framework for energy poverty and by facilitating the identification of energy poor and energy vulnerable consumers. By increasing the transparency of connection procedures for renewables, reform 2 is expected to facilitate and accelerate the deployment of renewables. Reform 3 contributes to addressing internal and cross-border energy

transmission and distribution bottlenecks by improving the functioning of the balancing market in Bulgaria. Furthermore, one investment is scaled up to further support grid-size electricity storage (investment 2) and thereby facilitate the integration of renewable energy sources. One investment included is contributing both to accelerating the deployment of renewable energy and supporting zero-emission transport by supporting the uptake of electric vehicles and the associated recharging infrastructure (investment 3). Finally, investment 4 which was previously included as investment 6 in component 4 Low carbon economy contributes to supporting electricity storage and accelerating the integration of renewable energy sources.

All the new or modified measures are expected to have a long-term impact.

#### *Climate target*

On the basis of the assessment guidelines provided for sub-criterion 5b, the measures in the modified RRP (including the REPowerEU chapter) supporting climate change objectives account for 49.9% of the plan's maximum financial contribution (i.e. above the 37% required), based on the methodology for climate tracking set out in Annex VI to the RRF Regulation. The most important contributions to this target are the investments in renewable energy, electricity storage, sustainable renovation of buildings, circular economy and sustainable mobility. Additionally, the proposed measures within the REPowerEU chapter supporting climate change objectives account for 99.5% of the chapter's total estimated costs, based on the methodology for climate tracking set out in Annex VI to the RRF Regulation.

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*Taking into consideration the assessment of all the measures envisaged, the modified recovery and resilience plan, including its REPowerEU chapter, is expected, to a large extent, to make a significant contribution to the green transition or to address the challenges resulting from it and ensures that at least 37% of its total allocation contributes to the climate target. At least 37% of the total estimated costs of the REPowerEU chapter contribute to the climate target. This would warrant a rating of A under criterion 2.5 of Annex V to the RRF Regulation.*

### **1.3. REPowerEU**

In particular, there are synergies with reform 8 of Component 4 concerning the liberalisation of the electricity market.

**Reform 2 on enhancing the transparency of grid connection procedures** is expected to contribute to the REPowerEU objective to facilitate and accelerate the deployment of renewables. Reform 2 is coherent with other efforts of Bulgaria. In particular, there are synergies with reforms and investments in Component 4 aiming to accelerate the deployment of renewable electricity in Bulgaria.

**Reform 3 on improving the functioning of the balancing market and enabling demand-response** contributes to the REPowerEU objective to address energy transmission and distribution bottlenecks. Reform 3 is coherent with other efforts of Bulgaria. In particular, there are synergies with existing investments in electricity storage under Component 4 and the REPowerEU chapter.

**Investment 2 on support for grid-size electricity storage (scaled-up)** is expected contribute to the REPowerEU objective of supporting electricity storage and accelerating the integration of renewable energy sources. Investment 2 will complement the existing C4.I8 ‘National infrastructure for storage of electricity from renewables (RESTORE)’ with the deployment of additional electricity storage capacity. In particular, it is expected to result in additional 1500 MWh of usable energy capacity. Investment 2 is coherent with other efforts of Bulgaria. In particular, there are synergies with existing investment 8 under Component 4.

**Investment 3 concerning the installation of photovoltaic systems and provision of electric vehicles for social service facilities** contributes to the REPowerEU objectives to support zero-emission transport and to accelerate the deployment of renewable energy. Investment 3 is coherent with other efforts of Bulgaria. In particular, there are synergies with measures under Component 4.

**Investment 4 concerning support for new capacities for electricity generation from renewable sources and electricity storage** contributes to the REPowerEU objectives of supporting electricity storage and accelerating the integration of renewable energy sources. Investment 4 is coherent with other efforts of Bulgaria. In particular, there are synergies with reforms and investments supporting the deployment of electricity from renewable sources in Component 4 and in the REPowerEU chapter.

As part of the preparation of its REPowerEU chapter, Bulgaria made a draft version of the chapter public on the official website of the National Recovery and Resilience Plan.

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*Taking into consideration the assessment of all the measures envisaged in the REPowerEU chapter, the chapter is expected, to a large extent, to contribute effectively to energy security, the diversification of the Union’s energy supply, an increase in the uptake of renewables and energy efficient, an increase of energy storage capacities or the necessary reduction of dependence on fossil fuels before 2030. This would warrant a rating of A under criterion 2.12 of Annex V to the RRF Regulation.*

## ANNEX I Updated climate tracking and digital tagging of the Recovery and Resilience Plan of Bulgaria

*The table below presents the detailed application of the climate tracking and digital tagging methodologies set out respectively in Annex VI and VII to Regulation (EU) 2021/241 in the modified Bulgarian recovery and resilience plan.*

*Int. Field = intervention field.*

*Coeff. = Coefficient for the calculation of support to climate change objectives and to digital transition, on the basis of Annex VI and Annex VII of the RRF Regulation.*

*Revised measures are marked in yellow to distinguish them from the unchanged measures in the RRP.*

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C1]-I[I1.b]	STEM centres and innovation in education - digitalisation	120.45			108	100%
BG-C[C1]-I[I2.a]	Modernisation of educational infrastructures - renovated schools/kindergartens	181.63	026	40%		
BG-C[C1]-I[I2.b]	Modernisation of educational infrastructures - new schools/kindergartens	27.99	025ter	40%		
BG-C[C1]-I[I2.c]	Modernisation of educational infrastructures - renovated student residences	61.59	026	40%		
BG-C[C1]-I[I3]	Provision of digital skills trainings and set-up of a platform for adult learning	116.06			012	100%
BG-C[C1]-I[I14]	Youth centres	27.51			099	40%

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C2]-I[I1.a]	Programme to accelerate economic recovery and transformation through research and innovation - digital objectives	22.04			021	40%
BG-C[C2]-I[I2.a]	Enhancing the innovation capacity of the Bulgarian Academy of Sciences - digital	2.58			052	100%
BG-C[C2]-I[I2.b]	Enhancing the innovation capacity of the Bulgarian Academy of Sciences - quantum platform	0.51			021quarter	100%
BG-C[C2]-I[I2.d]	Enhancing the innovation capacity of the Bulgarian Academy of Sciences - technology transfer	8.18	022	100%		
BG-C[C2]-I[I2.e]	Enhancing the innovation capacity of the Bulgarian Academy of Sciences - trainings	1.67			009bis	100%
BG-C[C3]-I[I2.d]	Economic Transformation Programme — Fund 1 Growth and Innovation: Grant scheme for information and communication technology and cybersecurity in SMEs	14.10			010	100%
BG-C[C3]-I[I2.f]	Economic Transformation Programme - Fund 2 Green Transition and Circular Economy: Grant scheme for investments in renewable electricity sources for own use with local storage facilities	52.00	033	100%		
BG-C[C3]-I[I2.g]	Economic Transformation Programme — Fund 2 Green Transition and Circular Economy: Grant scheme for the support of businesses in the transition to a circular economy	73.62	047	40%		



Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C3]-I[I2.h]	Economic Transformation Programme — Fund 2 Green Transition and Circular Economy: Grant scheme for the support of businesses in the transition to a circular economy	18.41	047bis	40%		
BG-C[C3]-I[I2.i]	Economic Transformation Programme — Fund 2 Green Transition and Circular Economy: Guarantee financial instrument for energy efficiency and renewable energy	37.5	024	40%		
BG-C[C3]-I[I2.j]	Economic Transformation Programme — Fund 2 Green Transition and Circular Economy: Guarantee financial instrument for energy efficiency and renewable energy	37.5	025	40%		
BG-C[C3]-I[I2.k]	Economic Transformation Programme — Fund 3 Investments in Climate Neutrality and Digital Transformation: Equity instruments for climate neutrality and digital transformation investments	30	024	40%		
BG-C[C4]-I[I1.a]	Support for the renovation of building stock - residential buildings	366.08	025bis	100%		
BG-C[C4]-I[I1.b]	Support for the renovation of building stock - public buildings	165.48	026bis	100%		
BG-C[C4]-I[I1.c]	Support for the renovation of building stock - manufacturing and commercial buildings - buildings in manufacturing, trade and services, as well as buildings from the tourism sector	105.11	024ter	100%		

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C4]-I[I2]	Support for renewable energy for households	11.44	029	100%		
BG-C[C4]-I[I3]	Support for energy-efficient street lighting systems	69.60	026bis	100%		
BG-C[C4]-I[I4]	Digital transformation of the electricity transmission grid	189.18	033	100%	033	40%
BG-C[C4]-I[I7]	Pilot project on combined heat and power from geothermal sources	2.95	032	100%		
BG-C[C4]-I[I8]	National infrastructure for storage of electricity from renewables (RESTORE)	603.31	033	100%	033	40%
BG-C[C6]-I[I1.a]	Fund to promote the technological and ecological transition of agriculture — ‘technological and environmental modernisation’ strand	192.62	047	40%	020	40%
BG-C[C6]-I[I2]	Digitisation of processes from farm to fork	10.20			011	100%
BG-C[C7]-I[I1]	Large-scale deployment of digital infrastructure	269.59			051	100%
BG-C[C7]-I[I2]	Construction, development and optimisation of the digital TETRA system and radio network	63.66			011	100%
BG-C[C8]-I[I1.a]	Railways rolling stock — ERTMS	16.62	071	40%	071	100%
BG-C[C8]-I[I1.b]	Railways rolling stock – rolling stock	405.06	072bis	100%		

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C8]-I[I5.a]	Road safety - Digitalisation	0.64			063	100%
BG-C[C8]-I[I6.a]	Sofia metro line 3 – ERTMS	19.89			071	100%
BG-C[C8]-I[I6.b]	Sofia metro line 3	124.46	073	100%		
BG-C[C8]-I[I10]	New rolling stock for the Sofia Metro	43.16	074	100%		
BG-C[C8]-I[I17.a]	Green mobility — Pilot scheme to support sustainable urban mobility - rolling stock	39.06	074	100%		
BG-C[C8]-I[I17.b]	Green Mobility — Pilot scheme to support sustainable urban mobility - integrated route systems	2.54			076	100%
BG-C[C8]-I[I17.c]	Green mobility — Pilot scheme to support sustainable urban mobility - recharging points	2.44	077	100%		
BG-C[C8]-I[I17.d]	Green Mobility — Pilot scheme to support sustainable urban mobility - Cycling infrastructure	5.96	075	100%		
BG-C[C8]-I[I18]	Equipment for monitoring and maintenance of railway tracks and overhead lines	99.84	069	40%		
BG-C[C8]-I[I19]	Renovation of railway infrastructure	82.83	067	100%		
BG-C[C10]-I[I1]	Strengthening, further developing and building on the Unified Information System of Courts	9.88			011	100%

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C10]-I[I2]	Digitalisation of key litigation processes in administrative justice	3.64			011	100%
BG-C[C10]-I[I3]	Transformation of the information and communication infrastructure at the Public Prosecutor's Office	14.71			011	100%
BG-C[C10]-I[I4a]	Improving the quality and sustainability of the security services - digitalisation	25.18			011	100%
BG-C[C10]-I[I6]	Supporting a pilot phase for the introduction of Building Information Modelling	3.98			011	100%
BG-C[C10]-I[I7]	Unified Information System for Spatial Planning, Investment Design and Building Authorisation	1.76			011	100%
BG-C[C10]-I[I10]	Upgraded strategic planning system	0.73			011	100%
BG-C[C10]-I[I11.a]	Ensuring an adequate information and administrative environment for the implementation of the recovery and resilience plan	3.51			011	100%
BG-C[C11]-I[I4.b]	Modernisation of the Social Assistance Agency - energy efficiency	1.55	026	40%		
BG-C[C11]-I[I4.c]	Modernisation of the Social Assistance Agency - digital component	1.45			011	100%
BG-C[C11]-I[I5.a]	Modernisation of the Employment Agency – energy efficiency	0.1	026	40%		
BG-C[C11]-I[I5.b]	Modernisation of the Employment Agency - digital component	9.85			011	100%

Measure / Sub-Measure ID	Measure/Sub-Measure Name	Budget (EUR m)	Climate		Digital	
			Int. Field	Coeff. %	Int. Field	Coeff. %
BG-C[C11]-I[I7]	Digitisation of collections of museums, libraries, and archives	23.52			021bis	100%
BG-C[C12]-I[I5]	National digital platform for medical diagnostics	12.05			095	100%
BG-C[C12]-I[I7.c]	Development of outpatient care - Digitalisation	6.65			095	100%
BG-C[C13]-I[I2]	Scaled-up measure: National infrastructure for storage of electricity from renewables (RESTORE)	120.66	033	100%		
BG-C[C13]-I[I3]	Installation of Photovoltaic Systems and Provision of Electric Vehicles for Social Services Facilities	33.09	029	100%		
BG-C[C13]-I[I4]	Support for new capacities for electricity generation from renewable sources and electricity storage	342	032	100%		

\* Reforms and investments in the REPowerEU chapter are not taken into account when calculating the plan's contribution to the digital target requirement set by Regulation (EU) 2021/241.