

National Strategy for Small and Medium-Sized Enterprises 2021- 2027

Contents

CONTENTS.....	2
LIST OF ABBREVIATIONS.....	4
INTRODUCTION	6
STRATEGIC FRAMEWORK.....	9
VISION.....	10
STRATEGIC OBJECTIVES.....	10
POLICY PRIORITIES AND PRIORITY MEASURES.....	13
<i>Priority 1: Entrepreneurship</i>	<i>13</i>
<i>Priority 2: Access to markets</i>	<i>20</i>
<i>Priority 3: Access to finance</i>	<i>25</i>
<i>Priority 4: Digitalisation and skills.....</i>	<i>30</i>
<i>Priority 5: Better regulation and business environment.....</i>	<i>38</i>
<i>Priority 6: Environment</i>	<i>47</i>
<i>COVID-19 SME policy response</i>	<i>56</i>
NATIONAL AND REGIONAL PRIORITY SECTORS.....	59
<i>Sectoral and regional specialisation.....</i>	<i>59</i>
PRE-REQUISITES FOR THE SUCCESSFUL IMPLEMENTATION OF THE STRATEGY	70
HORIZONTAL POLICIES: PROMOTION OF INNOVATIONS AND REDUCING INFORMATION ASYMMETRY	
ANNEX A.....	74
ACTION PLAN	75
<i>Priority 1: Entrepreneurship</i>	<i>75</i>
<i>Priority 2: Access to markets</i>	<i>80</i>
<i>Priority 3: Access to finance</i>	<i>84</i>
<i>Priority 4: Digitalisation and skills.....</i>	<i>88</i>
<i>Priority 5: Better regulation and business environment.....</i>	<i>93</i>
<i>Priority 6: Environment</i>	<i>98</i>
<i>COVID-19 SME policy response</i>	<i>104</i>
MONITORING, EVALUATION AND GOVERNANCE SYSTEM FOR EVIDENCE-BASED POLICYMAKING	107
<i>Governance and control.....</i>	<i>107</i>
<i>Inclusion of stakeholders, implementation and reporting</i>	<i>110</i>
<i>Indicators for performance and result</i>	<i>116</i>

<i>Monitoring, evaluation and net impact assessment</i>	
ANNEX C	170
EXECUTIVE SUMMARY OF THE SME PRIORITY AREAS ANALYSIS	170
SWOT ANALYSIS OF THE SME SECTOR IN BULGARIA	184
ANNEX D	189
DEFINITIONS OF INDICATORS	190
<i>Output indicators</i>	190
<i>Indicators for result</i>	230
VOCABULARY OF SPECIFIC TERMINOLOGY	262

List of abbreviations

AI	Artificial intelligence
BDB	Bulgarian Development Bank
BMS	Business and Marketing Strategies
BSMEPA	Bulgarian Small and Medium-sized enterprises Promotion Agency
CVT	Continuous Vocational Training
EC	European Commission
ECB	European Central Bank
EDC	Electricity Distribution Companies
EFRD	European Fund for Regional Development
EIB	European Investment Bank
EF	European funds
EU	European Union
ET	Ednolichen Targovets (Sole Trader)
ETF	Educational training enterprise
FDI	Foreign Direct Investments
G2G	Government to government
GDP	Gross Domestic Product
GEM	Global Entrepreneurship Monitor
GVC	Global value chains
HF	Holding Fund (Fund of Funds)
HR	Human resources
HRD	Human Resources Development
HRM	Human Resources Management
i.p.	index points
IAF	Index Access to Finance
ICT	Information and Communication Technologies
INT	Index Internationalisation
IP	Intellectual Property

IPO	Initial public offering
IRD	Index Innovation (Research and Development) Activities
IS	Information Society
ITM	Index Intellectual Property (Trademarks) Activities
LE	Large Enterprise
MAFF	Ministry of Agriculture, Food and Forestry
MES	Ministry of Education and Science
MRDPW	Ministry of Regional Development and Public Works
MoF	Ministry of Finance
MoE	Ministry of Economy
ME	Ministry of Energy
MoEW	Ministry of Environment and Water
PCIE	Programme for Competitiveness, Innovations and Enterprises
PSRIDST	Programme for Science Research, Innovation Development and Smart Transition
SFA	State Fund Agriculture
NRA	National Revenue Agency
NSSI	National Social Security Institute
OECD	Organisation for Economic Cooperation and Development
p.p.	percent points
PPP	Public-Private Partnership
R&D	Research and development
SBA	Small Business Act
SEGA	State e-Government Agency
SITC	Standard International Trade Classification
SME	Small and Medium-sized Enterprise
TFA	Tangible fixed assets
WIPO	World Intellectual Property Organisation
WSS	Water Supply and Sanitation
WTO	World Trade Organisation

Introduction

At European Union level, SMEs ensure employment for more than 100 million people and produce more than half of Europe's GDP. Bulgarian small and medium-sized enterprises (SMEs) account for 75.7% of the total employment and for 65.3% of the value added in the economy in 2018¹. They are of great importance for the growth and the competitiveness of the European and Bulgarian economy. In principle, SMEs are a driver of innovative solutions to challenges related to climate change and resource efficiency.

Therefore, the development of Bulgarian SMEs defines the policy direction for support to SMEs in future. SMEs tend to be diverse in terms of the used business models, size, age and sector, which inevitably leads to different needs related to growth, becoming more competitive, digital and resilient.

The National Strategy for SMEs 2021-2027 sets the policy framework for SMEs based on an in-depth analysis of the SMEs landscape in Bulgaria, elaborated for the purposes and needs of the Ministry of Economy of Bulgaria (MoE), and all other relevant stakeholders within the public administration, which are responsible for the formulation and implementation of policies targeting development of SMEs in Bulgaria.

The main objective of the analysis was to serve as analytical and evidence-based foundation of the current strategic document. The analysed period of development in the SME sector includes the period 2008-2020. Standard statistical indicators for the sector published by the Eurostat and NSI, which are updated as of 2017 and 2018, are complemented by:

- Two qualitative regional surveys (based on workshops' discussions and in-depth interviews including 195 participants in total) and a national representative survey (based on a standardized questionnaire with a sample size of 553 SMEs) among entrepreneurs conducted specifically for the purpose of this report in the period November 2019 - January 2020.
- 2018 Amadeus data on Bulgarian SMEs.
- A random sample of individual data (main financial and business performance indicators) on start-ups established in 2012, 2013 and 2014.
- OECD 2015 value-added database (TiVA).

¹ European Commission, 2019. *2019 SBA Fact Sheet Bulgaria*. Brussels: European Commission.

- Recent data reports on SMEs development issues released by relevant international institutions (EC, SBA Factsheet, GEM, EIB, ECB, etc.).
- Mainstream and recent academic research on SMEs development issues.

Some of the key observations on Bulgarian SMEs (over the period 2008-2018) include:

- the value added at factor costs increased by 69.6%:
 - the share of Manufacturing in total value added increased by 63.0%, reaching 20.6% in total value added, thus indicating for the importance of Manufacturing sector;
 - the share of Information and communication activities increased by 226.4% and at the end of the period it was 8.2% in total value added, being the highest growth rate observed in the Services sector.
- the regional disparities deepened:
 - almost two thirds of SMEs were located in five regions (Sofia City, Plovdiv, Varna, Burgas and Blagoevgrad) in 2018;
 - half of the value added was generated in the South-West region (where Sofia City alone had a share of 42.1% in total value added) in 2017;
 - the least developed region was the North-West region with a share of 5.6% in total value added.

The National Strategy for Small and Medium-Sized Enterprises 2021-2027 (“the Strategy”) is a mid-term strategic document outlining Bulgaria’s vision to support SMEs. The definition of SMEs is set in art. 3 and 4 of the Small and Medium-sized Enterprises Act (“the SMEs Act”).

The Strategy is adopted in compliance with art. 5 para. 1 of the SMEs Act, the 2008 Small Business Act (SBA) and in line with the SME Strategy for a sustainable and digital Europe and the New industrial strategy for Europe, which set out the overarching framework for the EU policy on SMEs. The Strategy is to be implemented through the Action Plan ([Annex A](#)) and annual programmes adopted by the Minister of Economy. They should be accompanied by implementation reports. This document includes:

- I. [Strategic framework](#)
- II. [Policy priorities and priority measures](#)
- III. [Covid-19 policy response](#)
- IV. [National and regional priority sectors](#)
- V. [Pre-requisites for the successful implementation of the Strategy](#)
- VI. [Horizontal policies: promotion of innovations and reducing information asymmetry](#)
- VII. Annexes:
 - A. [Action plan and monitoring, evaluation and governance system;](#)
 - B. [Executive summary of the technical report including in-depth analysis of the SMEs in Bulgaria and short SWOT analysis;](#)
 - C. [Definitions of indicators and vocabulary of specific terminology;](#)

Strategic framework

The strategic objectives for the period 2021-2027 build upon the progress achieved in the current Strategy by also taking into account identified potential for SMEs growth, identified challenges and drivers for the further development of the sector. The main factors for the competitiveness of SMEs are access to markets, access to finance, the use of ICT solutions and digitalisation of processes, the availability of qualified workforce and the efficient use of resources. Some of the factors for creation and growth of SMEs are related to the availability of information and knowledge, as well as the usage of innovative technologies at global and local level. One of the effective ways to improve the access to them is to participate in associations in the value chain, including clusters of enterprises, which is another driver for the development of the relevant sector.

The National Development Programme: Bulgaria 2030 sets the national priorities to have a competitive, low-carbon economy in the next ten years by outlining three development axes: 1. Innovative and Intelligent Bulgaria; 2. Green and Sustainable Bulgaria; 3. Connected and Integrated Bulgaria. These aims have to be achieved by encouragement, development and implementation of innovations in the economy, attracting investments and qualified workforce. In accordance with this framework, priorities, measures and actions in the National Strategy for SMEs 2021-2027 aim at fostering an environment, which outlines the key role of Bulgarian SMEs.

In addition, the structure of the document, measures and actions in the National Strategy for SMEs correspond to the European Commission's SME Strategy for a sustainable and digital Europe and the New Industrial Strategy for Europe. These European strategic documents reflect on the current economic transition in key European economies as well as to the increasing European competitiveness. The EU SME Strategy is based on three main pillars:

1. Capacity-building and support for the transition to sustainability and digitalisation;
2. Reducing regulatory burden and improving market access; and
3. Improving access to finance.

Further to these, this document reflects priorities mentioned in the EU Green Deal and the EU Circular Economy Action Plan; as well as other relevant EU and national strategic documents referred to in the different sections of this Strategy.

Vision

The main objective of this strategic document is to support Bulgarian small and medium-sized enterprises to increase their competitiveness by encouraging the application of sustainable business practices. The National Strategy for SMEs aims to support the SMEs, including start-ups, in their efforts to be innovative, digitally up-to-date, sustainable and export-oriented by creating favourable business environment for their development.

Strategic objectives

The National Strategy for SMEs 2021-2027 features six priority areas, which outline strategic objectives striving to support the SMEs on the way of making Bulgaria an attractive country to start, develop and scale up a small business, while Bulgaria is an active participant on the European single market:

1. Entrepreneurship

- 1.1. The entrepreneurial ecosystem to encourage competitiveness and to assist overcoming regional disparities, while fostering growth and further development of SMEs.
- 1.2. The entrepreneurial ecosystem to ensure conditions for fast and easy start of business and rewarding realisation of entrepreneurial ideas.
- 1.3. Encouragement of the entrepreneurial activity with high potential influence on economic and social development and environmental sustainability.

2. Access to markets

- 2.1. Bulgarian SMEs to increase their level of internationalisation and improve their capabilities for initiation of export activities. Bulgarian SMEs to benefit from efficient planning, communication and provision of public support opportunities to SMEs for trade promotion events.
- 2.2. Bulgarian SMEs to have better access to domestic, cross-border and international markets, including information on their development, and to embrace e-commerce as a way to access new markets.
- 2.3. Bulgarian SMEs to have all necessary conditions to be active participants on the European single market.

3. Access to finance

- 3.1. Bulgarian SMEs, start-up and scale-up enterprises to have access to different sources of funding in order to increase their competitiveness.
- 3.2. Bulgarian microenterprises and small enterprises to have easier access to finance.
- 3.3. Encouragement of collaboration between Bulgarian SMEs and international SMEs in order to elaborate projects and develop business partnerships.

4. Digitalisation and skills

- 4.1. Bulgarian SMEs to understand the importance and benefit from available opportunities for digitalisation and ICT adoption and thus to embrace digital transformation of their activities.
- 4.2. Bulgarian SMEs to benefit from the availability of digital skills and to participate actively in vocational education and training for better and higher level of skills and competences. Encouragement of vocational education and training courses in the fields and specialties related to digital technologies and STEM (science, technologies, engineering and mathematics).
- 4.3. Bulgarian SMEs to improve the skills of their workforce through providing in-house trainings and ensure more opportunities for online education.

5. Better regulation and business environment

- 5.1. Bulgarian SMEs to be well informed and to benefit from a single point of information and improved consultation process.
- 5.2. Improvement of regulatory framework for SMEs by reducing administrative burden and simplifying administrative procedures.
- 5.3. Reduction of administrative burden regarding participation of SMEs in public procurement.
- 5.4. Bulgarian SMEs to have easy-to-follow procedures for starting an enterprise, closing business activities and better understanding in the society of second chance for entrepreneurs.

6. Environment

- 6.1. Bulgarian SMEs to improve their resource productivity and energy intensity, as well as to be encouraged to use more renewable energy sources, in order to contribute to the country's

climate neutrality by 2050.

- 6.2. Bulgarian SMEs to improve their environmental performance and to acknowledge the development and distribution of green products through EU ecolabel certification.
- 6.3. Bulgarian SMEs to better integrate into the European value chains, especially in the context of circular economy. Bulgarian SMEs to increase their capacity to understand the circular economy and to implement its business models. Bulgarian SMEs to take their place in the circular economy transition and benefit from it as an opportunity for growth, investment and export.

In order to take into account existing disparities in the country, the National Strategy for SMEs 2021-2027 encompasses sectoral and regional dimensions of Bulgarian SMEs.

Taking into consideration the impact of the COVID-19 pandemic, the National Strategy for SMEs includes also measures designed as policy response for SMEs to overcome the difficulties of the crisis. These measures are in coordination with European Commission's proposal for a recovery plan and revised EU long-term budget proposal for the period 2021-2027. The proposed instrument Next Generation EU will support not only Member States in their investments and reforms in relation to the green and digital transitions and in alleviating the socio-economic impact of the crisis, but also it will mobilise solvency support for enterprises from all economic sectors and prepare them for a cleaner, digital and resilient future.

Policy priorities and priority measures

Priority 1: Entrepreneurship

Entrepreneurship contributes to employment, prosperity, competitiveness and economic growth. Encouraging entrepreneurship and the creation of start-up enterprises is crucial for the development and competitiveness of the Bulgarian economy at both national and regional levels. According to the report following the Small Business Act in Europe for 2019 (SBA Factsheet 2019), the country's performance in the field of entrepreneurship is below the EU average and further strengthening of the observed gradual improvement in recent years is needed. Bulgaria continues to report low values of key indicators such as entrepreneurial activity in the initial phase, results of opportunity-motivated entrepreneurship and self-employment rate. This determines the undertaking of intensive political measures in support of the promotion and development of entrepreneurship in the country.

Measure 1.1 Fostering the entrepreneurial ecosystem

Identified needs	<p>Need for measures to support the entrepreneurial ecosystem</p> <p>Need of more effective entrepreneurship support</p>
Strategic objective	The Bulgarian entrepreneurial ecosystem to encourage the competitiveness and to support the overcoming of regional disparities, while fostering growth and further development of SMEs
Specific objectives	More effective encouragement of organisations for support of SMEs such as business incubators, co-working spaces and accelerators, etc. across the regions in Bulgaria.
Cross-reference to relevant strategic documents and policy interventions	<p>An SMEs Strategy for a sustainable and digital Europe</p> <p>New industrial strategy for Europe</p> <p>European Green Deal</p>
Expected results	<p>Number of supported SMEs by the entrepreneurial ecosystem</p> <p>Growth on an annual basis of the number of newly established start-ups.</p> <p>Increasing the attracted investments by start-up and scale-up enterprises.</p>

Specific actions:

- 1) Support for accelerators and business incubators possibly operated by internationally recognised networks of accelerators and incubators, which aim is to transfer best practices from other countries. Support for organisations of SME support organisations such as nationally represented labour organisations, branch chambers, etc.
- 2) Support for events, conferences, workshops, business meetings between start-ups and investors, and other initiatives to encourage entrepreneurship and networking at regional and local level.
- 3) Support for active associations to promote SMEs such as business clusters, cooperatives, production associations and others in national and regional priority sectors.

Measure 1.2 Promotion of entrepreneurship education at schools and entrepreneurial transformation of Bulgarian higher education institutions

<p>Identified needs</p>	<p>Need to introduce/strengthen entrepreneurship education in all fields of formal education at pre-school, primary, secondary and university level.</p> <p>Need to implement high quality of entrepreneurship teaching and learning, including sustainable and high-quality extracurricular activities in collaboration with business organisations in the field of entrepreneurship at all educational levels.</p> <p>Need for evaluation of best practices and the impact of entrepreneurship education at all education levels and in all fields of study.</p> <p>Need to encourage business participation in the educational process.</p>
<p>Strategic objective</p>	<p>The Bulgarian entrepreneurial ecosystem to ensure conditions for fast, easy start and rewarding realisation of entrepreneurial ideas.</p>
<p>Specific objectives</p>	<p>Provision of high quality of entrepreneurship teaching and learning in collaboration with businesses.</p> <p>Increase in the provision of entrepreneurship courses and curricula at Bulgarian higher education institutions.</p> <p>Increase in the number of students, who participate in entrepreneurship education at Bulgarian higher education institutions.</p>

	<p>Participation of Bulgarian higher education institutions in the process of development of the entrepreneurship ecosystem.</p> <p>Increase in the number of extracurricular activities in the field of entrepreneurship at all education levels.</p> <p>Enhancing student entrepreneurship at schools, including schools of arts, language and sports schools.</p> <p>Increase in the number of entrepreneurship classes in after primary education with the possibility of including it as an elective subject.</p> <p>Formation of entrepreneurial thinking by students through specific practical assignments and case studies.</p> <p>Organisation of meetings between students and successful entrepreneurs in order to be acquainted with the good example.</p>
Cross-reference to relevant strategic documents and policy interventions	<p>Priority 1 Education and skills from the National Development Programme: Bulgaria 2030</p> <p>Strategy for development of higher education 2021-2030</p>
Expected results	<p>Increase in entrepreneurial intentions (percentage of adults who intend to start a business within 3 years)</p> <p>Increase in self-perceived capabilities for entrepreneurship</p> <p>Number of projects and initiatives for support of entrepreneurship education and students at schools and universities.</p> <p>Number of students involved in projects and initiatives, encouraging entrepreneurship education.</p>

Specific actions:

- 1) Support for the establishment of entrepreneurship support structures within Bulgarian higher education institutions such as incubators, accelerators, entrepreneurship centres, etc. by promoting public-private partnerships.
- 2) Support for the provision of entrepreneurship education courses in the curricula in natural sciences, technology, engineering and mathematics (STEM), arts and other fields of study at secondary and university educational level.

- 3) Support for training enterprises of students at schools and universities, who learn in practice how to develop their ideas into business. Development of current methodologies for conducting entrepreneurship training courses through practical classes.

Measure 1.3 Support for start-up enterprises

Identified needs	<p>Need for improvement of the business environment for creation and operation of new enterprises</p> <p>Need for improvement of the business environment for growth of enterprises</p>
Strategic objective	The Bulgarian entrepreneurial ecosystem to ensure conditions for fast, easy start and rewarding realisation of entrepreneurial ideas
Specific objectives	<p>Increase in the share of the start-up enterprises and the attracted investments by them</p> <p>Increase in the share of newly established high-technology enterprises</p> <p>Increase in the share of newly established innovative enterprises</p> <p>Increase in the share of newly established knowledge-based enterprises</p>
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe
Expected results	<p>Increase in the share of start-ups</p> <p>Increase in the share of high growth SMEs</p>

Specific actions:

- 1) Review of the regulations for starting a business.
- 2) Review of the regulatory complexity and restrictive licensing requirements in order to facilitate entry by new enterprises and increase of competition.
- 3) Introduction of measures for start-up enterprises and SMEs seeking growth in international markets - provision of information about markets, consultancy, marketing and mentoring services related to internationalisation of SMEs.
- 4) Development of new products and testing prototypes in laboratories.

- 5) Provision of technical due diligence services to enable more precise valuations of high-tech start-ups and prepare their investment readiness.
- 6) Provision of technical assistance for intellectual property registration including the preparatory process for the application procedure, and the application procedure for registering intellectual property – consultations with specialists, legal help, etc.
- 7) Improving the conditions for doing business for start-ups. Improving regulations related to occupational medicine. Facilitate the liquidation procedures of an enterprise.

Measure 1.4 Promotion of key types of entrepreneurship

Identified needs	<p>Need for support of different types of entrepreneurship with high potential for positive impact on the regional economic development of the Bulgarian economy, especially for high-technology entrepreneurship, youth entrepreneurship, women entrepreneurship and family business</p> <p>Need for specific targeted support for social and inclusive entrepreneurship</p> <p>Need for specific targeted support for green entrepreneurship</p> <p>Need for specific policies for support of family entrepreneurship, including better access to finance</p> <p>Need for specific measures for support of inheritance in family enterprises</p>
Strategic objective	Encouragement of the entrepreneurial activity with high potential influence on economic and social development and environmental sustainability
Specific objectives	<p>Increase in the share of second and third-generation family businesses</p> <p>Increase in the share of social enterprises</p> <p>Increase in female early-stage entrepreneurial activity</p> <p>Increase in the early-stage entrepreneurial activity among youth</p> <p>Increase in the early-stage entrepreneurial activity among seniors</p> <p>Increase in the share of new technology-based enterprises</p>

Cross-reference to relevant strategic documents and policy interventions	Ministry of labour and social policy' measures for encouragement of entrepreneurship
Expected results	Increase in entrepreneurial activity Number of supported enterprises/entrepreneurs

Specific actions:

- 1) Support the inheritance of family businesses by provision of seminars, trainings and consulting services related to family business inheritance. Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) to ensure the access to finance of family businesses.
- 2) Support for self-employed and SMEs in key types of entrepreneurship (women, youth, seniors, unemployed, immigrants) to use of training, legal, consulting and mentoring services.
- 3) Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) supplemented with mentoring, coaching and counselling services to meet different needs of social entrepreneurs.
- 4) Promote the use of the EC/OECD Better Entrepreneurship Policy Tool by local and regional authorities.

Measure 1.5 Support for craftsmanship, rural entrepreneurship and creative industries including at regional level

Identified needs	Need for specific targeted support for craftsmanship, rural entrepreneurship and creative industries. Need for specific targeted support for entrepreneurship at regional level.
Strategic objective	The Bulgarian entrepreneurial ecosystem to encourage competitiveness and to overcome regional disparities, while fostering growth and further development of SMEs
Specific objectives	Increase in the share of rural, creative and crafts entrepreneurship Increase in the level of entrepreneurial activity at local level
Cross-reference to relevant strategic documents and policy	Ministry of Agriculture, Food and Forestry

interventions	Rural Development Programme Strategy plan for development of agriculture and rural areas
Expected results	Increase in the entrepreneurial activity Number of implemented initiatives and projects

Specific actions:

- 1) Provision of seminars, trainings and consulting services for agricultural and forestry owners/entrepreneurs in rural areas.
- 2) Financial instruments and grants to meet different needs of entrepreneurs and newly established enterprises in rural areas at local level.
- 3) Projects and measures encouraging craftsmanship and creative industries.

Priority 2: Access to markets

Access to markets and internationalisation are key factors for the SME competitiveness. Nowadays, the global economy provides many opportunities for small and medium-sized enterprises to use the available information to research new products, knowledge and strategies to access markets. Bulgarian SMEs face challenges such as declining and aging populations, as well as relatively low income levels, which in turn lead to access to small local markets and limited domestic opportunities for business growth. An additional problem is the low level of use of e-commerce. These restrictions require the implementation of a set of policies and measures to promote the access to markets and internationalisation of Bulgarian SMEs.

Measure 2.1 Promotion of the internationalisation of SMEs

Identified needs	Need to enhance the access of SMEs to the European Single market and foreign markets Need to increase the awareness and capabilities of SMEs to export and import
Strategic objective	Bulgarian SMEs to increase their level of internationalisation and become better equipped when preparing and beginning export activities. Bulgarian SMEs to benefit from efficient planning, communication and provision of public support opportunities to SMEs for trading promotion events
Specific objectives	Increase the competitiveness of SMEs and increase the share of Bulgarian SMEs on the European Single market and foreign markets. Development of the Export Hub Bulgaria to promote internationalisation of SMEs.
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase of the share of SMEs of the total Bulgarian export to European and world markets

	Increased capacity of SMEs to promote their products and services abroad.
--	---

Specific actions:

- 1) Further development and maintenance of the Export Hub Bulgaria, in particular its digital platform to provide information on: 1) support opportunities, public and other institutions; 2) up-to-date market research on marketing surveys on foreign markets; 3) international and regional trade fair and exhibitions; 4) Application of combined support measures in the promotion of internationalisation, which allow for simultaneous support to relevant SMEs for technological development, digitalisation, development of new products, and skills formation.
- 2) Preparation and conduction of information campaigns dedicated to internationalisation of SMEs.
- 3) Implementation of marketing measures and support for SMEs to develop and prepare promotion materials for international and regional trade fairs.
- 4) Support for the creation of export-oriented clusters, initiatives and associations of SMEs, and their inclusion in international value chains.

Measure 2.2 Support for SMEs to participate in trade promotion events

Identified needs	<p>Need for a single point of information on support opportunities, public and other institutions, information campaigns related to internationalisation</p> <p>Need for improvement of the planning, communication and organisation process concerning trade promotion events with the participation of SMEs</p>
Strategic objective	Bulgarian SMEs to increase their level of internationalisation and become better equipped when preparing and beginning export activities. Bulgarian SMEs to benefit from efficient planning, communication and provision of public support opportunities to SMEs for trade promotion events
Specific objectives	<p>Further development of the Export Hub Bulgaria to promote internationalisation</p> <p>Increase in the share of internationalised SMEs</p>
Cross-reference to	An SMEs Strategy for a sustainable and digital Europe

relevant documents and interventions	A New Industrial Strategy for Europe
Expected results	Increase in the share of SMEs promoting their goods and services internationally Increase in the number of SMEs using the Export Hub Bulgaria

Specific actions:

- 1) Preparation of annual programmes by BSMEPA in accordance with the national and regional priorities in the strategy and the proposals of the stakeholders for participation of SMEs on trade fairs and major events.
- 2) Conduction and/or support to SMEs for participation in international trade fairs, business conferences and business meetings in Bulgaria.
- 3) Support the participation of SMEs in international fairs, trade exhibitions and business conferences abroad.
- 4) Support of events with focus on SMEs, organised by branch organisations, SME and start-up associations, clusters, non-governmental organisations, etc.
- 5) Participation of SMEs as part of official business delegations and trade missions.

Measure 2.3 Specific support for SMEs with high export potential

Identified needs	Need for advanced technological development, digitalisation, skills formation and development of new products by SMEs with high export potential to further foster their internationalisation and exporting activities.
Strategic objective	Bulgarian SMEs to increase their level of internationalisation and become better equipped when preparing and beginning export activities. Bulgarian SMEs to benefit from efficient planning, communication and provision of public support opportunities to SMEs for trade promotion events
Specific objectives	Encourage SMEs export

Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase in share of exporting SMEs

Specific actions:

- 1) Development of export potential scorecard based on individual survey, NSI data and the expertise of nationally representative employers' organisations in the use of such platforms. Establishment of an automated system for calculation of the export potential of enterprises and thus creating an opportunity for accurate identification of SMEs with high export potential.

Measure 2.4 Support for development of e-commerce

Identified needs	Need for technological development and digitalisation, including application of e-commerce solutions.
Strategic objective	Bulgarian SMEs to have better access to domestic, cross-border and international markets, including information on their development, and to embrace e-commerce as a way to access new markets
Specific objectives	Encouragement of e-commerce among SMEs
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase in the share of SMEs selling online Increasing the share of SMEs that use ICT solutions for e-commerce, promotion and distribution.

Specific actions:

- 1) Development and use of e-commerce web platforms for SMEs in key economic sectors as an integral section of the digital platform of the Export Hub Bulgaria.
- 2) Support to SMEs in the introduction and implementation of e-commerce solutions - websites, electronic payments, mobile internet solutions, internet security solutions, etc.
- 3) Encouragement of SMEs to use international e-commerce platforms through seminars, trainings and meetings.

- 4) Support to SMEs in adoption of analytical solutions based on big data, automation and AI, etc. in order to benefit from the advantages of e-commerce.

Measure 2.5 Support for adoption of quality standards and standards for automatic identification and electronic data exchange to improve the access of SMEs to the Single Market

Identified needs	Need to increase SMEs competitiveness and productivity, and to achieve higher level of compliance with the established European market requirements
Strategic objective	Bulgarian SMEs to have all necessary conditions to be active participants on the EU single market
Specific objectives	Increase in share of SMEs with adopted international standards
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase in share of SMEs with adopted international standards

Specific actions:

- 1) Provision of information and promotion of small business-related standards and certification, including online information.
- 2) Support SMEs in adopting internationally recognised standards and certificates, etc.
- 3) Support to SMEs for the introduction of global standards for automatic identification and electronic data exchange.

Priority 3: Access to finance

Compared to large enterprises, SMEs usually have difficulties with access to finance because financial institutions consider investing in them to be more risky. Easy access to finance is crucial for the sustainable development of SMEs. Data on the Small Business Act in Europe (SBA) shows that Bulgarian SMEs face difficulties to find financial instruments for their business. It leads to lower levels of investments, and a significant proportion of SMEs report a shortage of investment for the period 2017-2019. Therefore, it is necessary to provide special support to SMEs in the country. In general, they should have better access to various sources of finance such as traditional banking instruments - bank loans, credit lines, overdrafts, etc., microcredits, alternative forms of financing, venture and equity financing, as well as access to national, European and international SME financing programs.

Measure 3.1 Financial instruments for support of SMEs competitiveness

Identified needs	Need for provision of financial sources for SMEs in order to finance the adoption of new technologies, digitalisation, new products, exports of goods and services
Strategic objective	Bulgarian SMEs, start-up and scale-up enterprises to have access to different sources of funding in order to increase their competitiveness.
Specific objectives	Increase of the share of SMEs which invest in: <ul style="list-style-type: none"> - the adoption of new technologies - production of new products and services; - digitalisation-related activities - exports of goods and services
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase of the SMEs competitiveness, production and exports

Specific actions:

- 1) Provision of grants and financial instruments to promote the adoption of new and modern technologies, digital solutions, specialised hardware and software by SMEs.

- 2) Provision of grants and financial instruments for technology modernisation, development of new products and provision of new services.

Measure 3.2 Provision of financial instruments and guarantee schemes for investment funding and export activities of SMEs

Identified needs	Need for provision of financial instruments – bank loans, credit lines, leasing, credit guarantees to allow better access to funding and encourage investments in modernisation.
Strategic objective	Bulgarian SMEs, start-up and scale-up enterprises to have access to different sources of funding in order to increase their competitiveness.
Specific objectives	Better access to finance for SMEs allowing fixed capital investments, including in modern technologies.
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increase of the productivity of SMEs and ensure their sustainable development Increase in the share of SMEs listed on the SME’s growth market (BEAM) on Bulgarian Stock Exchange

Specific actions:

- 1) Provision of different financial instruments for SMEs – bank loans, credit lines, leasing, factoring, etc.
- 2) Provision of guarantee schemes to SMEs by the Bulgarian Development Bank Group, the National Guarantee Fund, the Holding Fund, etc.
- 3) Provision of pre-export and post-export financing through financial instruments that will support the internationalisation of SMEs by Bulgarian Export Insurance Agency.
- 4) Facilitating the access to equity financing of SMEs through the Bulgarian Stock Exchange - SME Growth Market (BEAM). Voucher scheme supporting SMEs preparation for listing on BEAM. Provision of funding to SMEs in connection with the costs necessary for their listing on the capital market – advisors fees, investment intermediaries fees, lawyers' fees, costs for preparation of a prospectus, costs for preparation of admission documents, listing fees, information campaigns, etc.

Measure 3.3 Provision of financial instruments to microenterprises and small enterprises

Identified needs	Need for more flexible financial instruments and schemes in addition to the traditional working capital loans focused on microenterprises and small enterprises. Need for microfinancing targeting micro- and small enterprises.
Strategic objective	Bulgarian SMEs, start-up and scale-up enterprises to have access to different sources of funding in order to increase their competitiveness.
Specific objectives	Increase of share of micro- and small enterprises with access to bank financing and venture capital
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Better access to finance for micro- and small enterprises

Specific actions:

- 1) Provision of flexible credit instruments such as credit lines, overdraft, etc.
- 2) Provision of microfinancing, working capital and investment loans for microenterprises and small enterprises.
- 3) Provision of risk-sharing instruments focused to enhance the economic activity of microenterprises and small enterprises by the Bulgarian Development Bank and the Holding Fund.

Measure 3.4 Support for start-up and scale-up enterprises access to finance

Identified needs	Need for provision of specific financial instruments for start-up and scale-up enterprises
Strategic objective	Bulgarian SMEs, start-up and scale-up enterprises to have access to different sources of funding in order to increase their competitiveness.
Specific objectives	Implementation of measures towards improving the access to finance of start-up enterprises. Improved equity capital access for start-up enterprises.

	Access to mezzanine capital for scale-up enterprises.
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe The Start-up and scale-up initiative
Expected results	Accelerate the process of technology start-ups scaling-up and becoming more competitive

Specific actions:

- 1) Provision of pre-seed and seed financing for start-up enterprises.
- 2) Provision of venture capital.
- 3) Provision of growth capital (mezzanine funding) to scale-up enterprises and fast growing medium-sized enterprises.
- 4) Development of a mechanism to encourage investments by business angels.
- 5) Provision of industry specific equity financial instruments financing technology and technology related industries SMEs. Creation of industry specific venture capital and private equity funds, covering investments in enterprises in the fields of: artificial intelligence, data and metadata analytics, robotics, microelectronics, high-performance computing and data cloud infrastructure, blockchain, quantum technologies, photonics, industrial biotechnology, biomedicine, nanotechnologies, pharmaceuticals, advanced materials and technologies, etc.

Measure 3.5: Support for small projects encouraging interregional collaboration of SMEs

Identified needs	Need for measures for support of interregional collaboration of SMEs. Need for encouragement of the cooperation between national SMEs and SMEs from international regions.
Strategic objective	Encourage the collaboration between Bulgarian SMEs and international SMEs to elaborate projects and develop business partnerships
Specific objectives	Elaboration of interregional small projects. Development of business partnerships between SMEs from different international regions.

Cross-reference to other relevant strategies and policy intervention	INTERREG Programme
Expected results	<p>Increase of the participation of SMEs in interregional projects.</p> <p>Increase of the number of SMEs trading cross-border.</p> <p>Increase of the number of interregional projects, events and initiatives with the participation of SMEs.</p>

Specific actions:

- 1) Support for the implementation of interregional small projects.
- 2) Support for events, meetings, conferences and workshops between Bulgarian SMEs and international SMEs.
- 3) Support for international collaboration of SMEs in the national and regional priority sectors.

Priority 4: Digitalisation and skills

Digitalisation is related to the use of digital technologies with the aim to improve a business model and provide new opportunities for generating revenue and value added. It is key to the introduction of modern tools in the field of data processing, storage and transmission of digital information, as well as data analysis. Digitalisation is the basis of the subsequent technological development of all economic sectors through the automation of various business processes and the implementation of solutions based on artificial intelligence. According to the Index for Implementation of Digital Technologies into Economy and Society (DESI) and its indicators related to the Digital Agenda, Bulgaria is the least developed EU member state. Prerequisites for digitalisation of SMEs are the use of ICT and the availability of human capital with well-developed skills in the field of ICT, the availability of analytical skills, specific professional skills and etc. Bulgarian SMEs are lagging behind in terms of developing these skills. This justifies the need for adequate measures aimed at the formation of such skills and the faster digital transformation of Bulgarian SMEs.

An important prerequisite for achieving the goals set in this area is the construction of appropriate infrastructure. Broadband connection is of strategic importance for competitiveness, growth, digitalisation, development of digital skills and innovation in all sectors of the economy, as well as for social and territorial cohesion in the country.

Introduction of high-speed connections by state and public institutions in rural areas is key not only for the development and access to online services of local institutions, but also for greater opportunities for people and businesses. This will overcome the tendencies to isolate the population from the economic, social and cultural life of the country. By providing high-speed infrastructure and affordable connectivity in lagging areas, the use of the Internet will be facilitated and will encourage local businesses to implement new business strategies and models, as well as to develop new digital services.

Infrastructure that integrates physical and digital aspects is crucial to ensure the next wave of innovation and economic growth.

Measure 4.1 Promotion of digitalisation of SMEs

Identified needs	Need for digitalisation of SMEs and encouragement of their competitiveness by implementation of ICT solutions.
Strategic objective	Bulgarian SMEs to understand and benefit from available digitalisation and ICT adoption opportunities and thus to embrace digital transformation

Specific objectives	Increase in the share of SMEs' adopting ICT technologies to increase their competitiveness and development of management systems for new business models.
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe Digital Transformation of Bulgaria 2020-2030 Industry 4.0 Concept for development of artificial intelligence in Bulgaria 2030
Expected results	Increase in the share of SMEs using ICT for improving their competitiveness, developing new business model management systems, cybersecurity and data privacy solutions Increase of labour productivity and SMEs competitiveness

Specific actions:

- 1) Introduction of digital technologies, software, e-commerce solutions, digital applications and implementation of appropriate cybersecurity and data privacy processes.
- 2) Support for ICT adoption in SMEs of customer relationship management systems(CRM), enterprise resource planning systems(ERP), information security systems, digitalisation of processes, cognitive technologies and specialised software packages, etc.
- 3) Support for SMEs through the introduction of digital technologies and software products for automation and robotisation of production processes, communication and distribution technologies, etc. in the agriculture sector.

Measure 4.2 Support for the digital transformation of the industrial SMEs

Identified needs	Need for increase the process of digital transformation of SMEs in the industrial sectors
Strategic objective	Bulgarian SMEs to understand the importance and benefit from available opportunities for digitalisation and ICT adoption and thus to embrace digital transformation of their activities.
Specific objectives	Implementation of new digital technologies and machinery in the production processes by industrial SMEs.

	<p>Introduction of technologies and software leading to reduction of energy intensity of SMEs in the industry.</p> <p>Introduction of modern ICT solutions and software for management of processes.</p> <p>Encourage investments in cybersecurity systems and data privacy processes.</p>
Cross-reference to relevant strategic documents and policy interventions	<p>An SMEs Strategy for a sustainable and digital Europe</p> <p>A New Industrial Strategy for Europe</p> <p>The European Green Deal</p> <p>Digital Transformation of Bulgaria 2020-2030</p> <p>Concept for development of artificial intelligence in Bulgaria 2030</p> <p>Industry 4.0</p>
Expected results	<p>Increase of the competitiveness of the industrial SMEs through digitalisation.</p> <p>Support for digital transformation of industrial SMEs towards reducing energy-intensity of their production processes.</p> <p>Encourage industrial SMEs to implement ICT, cybersecurity and data privacy solutions.</p>

Specific actions:

- 1) Support for the digital transformation of SMEs in the industrial sectors of the economy, in order to implement new digital technologies in the production processes and invest in machinery and autonomous technologies.
- 2) Reduction of energy-intensity of industrial SMEs through implementation of technologies, software solutions, customer relationship management systems, enterprise resource planning systems, etc.
- 3) Introduction of modern ICT solutions, cybersecurity systems, data privacy processes, etc.

Measure 4.3 Support for acquiring digital skills

Identified needs	<p>Need for strengthening the SMEs activities in the field of digital skills formation.</p> <p>Need for continuous training needs assessment and monitoring for precise and timely identification of SMEs' training demand</p>
Strategic objective	Bulgarian SMEs to benefit from the availability of digital skills and to participate actively in vocational education and training for better and higher level of skills and competences. Encouragement of vocational education and training courses in the fields and specialties related to digital technologies and STEM (science, technologies, engineering and mathematics).
Specific objectives	Increase in share of SMEs investing in improvement and formation of digital skills for their employees.
Cross-reference to relevant strategic documents and policy interventions	<p>An SMEs Strategy for a sustainable and digital Europe</p> <p>A New Industrial Strategy for Europe</p> <p>Strategy for development of higher education 2021-2030</p> <p>Concept for development of artificial intelligence in Bulgaria 2030</p>
Expected results	<p>Increase of the share of SMEs investing in digital skills trainings</p> <p>Decrease of the digital-skills-related gaps between the SMEs in Bulgaria and the EU-27.</p>

Specific actions:

- 1) Application of regular training needs' assessments for precise identification of target groups for training and their specific needs (including digitalisation-related need of skills).
- 2) Introduction of digital/online applications and analytical solutions in the process of monitoring and continuous assessment of training needs' demand in all professional fields.
- 3) Development of training courses for SMEs to enhance formation of skills in demand in the field of digitalisation, ICT, cybersecurity and other fields, which are specific to the SMEs activities.

Measure 4.4 Encouragement of SMEs to participate in the vocational education and training system (dual education)

Identified needs	Need for encouragement of the application of vocational education and training system (VET system) in Bulgaria and participation of SMEs in the process of involvement of school students in practical trainings
Strategic objective	Bulgarian SMEs to benefit from the availability of digital skills and to participate actively in vocational education and training for better and higher level of skills and competences. Encouragement of vocational education and training courses in the fields and specialties related to digital technologies and STEM (science, technologies, engineering and mathematics).
Specific objectives	<p>Support for employers to participate in the vocational education system (dual education).</p> <p>Maintenance of Information Database of the employers, which hire and train apprentices.</p> <p>Increase the qualification of workforce and smooth transition from education to work through apprenticeships.</p>
Cross-reference to relevant strategic documents and policy interventions	<p>Programme “Innovations and Competitiveness” 2021 – 2027 (PCIE)</p> <p>Programme “Human Resource Development” 2021 – 2027 (OPHRD)</p> <p>Programme “Education and Science for Smart Growth” 2021 – 2027 (OPESSG)</p>
Expected results	<p>Increase of the number of enterprises, involved in vocational education and training - dual education system.</p> <p>Increase of the number of registered enterprises, including SMEs, in the Information Database of the employers, which hire and train apprentices.</p> <p>Increase of the share of students participating in dual education.</p> <p>Increase of the share of acquired professional degrees/certificates</p>

Specific actions:

- 1) Further development and maintenance of the Information Database of the employers, which fulfil the requirements for participation in partnerships for implementation of education through work (dual education) aiming to encourage, promote and support vocational education and training in Bulgaria.
- 2) Support for SMEs to provide vocational education and training. Encourage SMEs that provide dual education in the process of their participation in programs with national and European funding.
- 3) Recognition of active SMEs employers in the field of dual education and training, which ensure apprenticeships for school students and youth by the age of 29 years old. Establishment and presentation of annual awards for employers with achievements in the field of vocational education and training.
- 4) Introduction of a branding sign/trade mark of the dual education, outlining all employers, which successfully participate in the system.

Measure 4.5 Introduction of standards and procedures to validate acquired skills

Identified needs	<p>Need for online tools for assessment of the level of development of key skills and competences.</p> <p>Need for established standards and procedures for validation of acquired skills post-training.</p>
Strategic objective	Bulgarian SMEs to actively upskill their workforce through providing in-house trainings and having more opportunities for online trainings
Specific objectives	Introduction of a system to assess and validate skills underling SMEs competitiveness, export-related skills and business performance.
Cross-reference to relevant strategic documents and policy interventions	<p>An SMEs Strategy for a sustainable and digital Europe</p> <p>A New Industrial Strategy for Europe</p> <p>Strategy for development of higher education 2021-2030</p>
Expected results	<p>Increase in share of SMEs which have assessed and validated the key skills for their competitiveness, export orientation and business performance</p> <p>Increase of labour productivity, SMEs competitiveness and better</p>

	business results of their activity.
--	-------------------------------------

Specific actions:

- 1) Outlining a list of key skills, which are important for the competitiveness, exports and business results of SMEs.
- 2) Development of methodology and testing tools (in cooperation with employers’ and branch organisations, SMEs, universities, etc.) for assessment and validation of skills of employees acquired through learning-by-doing, informal training, formal tertiary education, self-learning, etc., which should be used by SMEs employers and employees.
- 3) Development of web-based tools and solutions for assessment of key skills. Development of e-content of online tools to assess the level of key skills and competences.
- 4) Development of standards, procedures and certification system at national level (in cooperation with employers’ and branch organisations, SMEs, universities, etc.) to validate key skills and competences.

Measure 4.6 Development of e-learning platform and tools, and promotion of online-based training for SMEs

Identified needs	Need for online training platforms and courses to provide digital training at affordable price and with consistent quality
Strategic objective	Bulgarian SMEs to actively upskill their workforce through providing in-house trainings and having more opportunities for online trainings
Specific objectives	Increase of the share of SMEs which provide e-trainings to their employees and managers
Cross-reference to relevant strategic documents and policy interventions	An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe
Expected results	Increased share of SMEs providing trainings to their employees. Increased participation in life-long learning of human resources in Bulgaria.

Specific actions:

- 1) Development and establishment of educational web platform (e-learning platform) and e-content of relevant courses in the fields, which are key to the competitiveness of SMEs in both basic and specific thorough features in their fields.
- 2) Development of training courses programmes (concerning training modules and courses, prerequisites, time schedule, methods of teaching, certification options, etc.), and conduction of promotion campaigns.
- 3) Provision of trainings: continuous online trainings on basic skills and regular teacher-assisted online trainings on more advanced skills.

Priority 5: Better regulation and business environment

The European better regulation policy aims to make Europe the most competitive and dynamic knowledge-based economy in the world. The purpose of better regulation rules is to ensure that legislation considers the condition of the business environment and that the regulatory burden on SMEs is minimized. According to the Doing Business Index, Bulgaria has made some progress in achieving a better regulatory framework, but there has been a slowdown in improving certain aspects of the business environment. The majority of Bulgarian SMEs continue to believe that administrative procedures and bureaucracy hinder economic activity. Therefore, specific policies need to be undertaken, especially with regard to the effective implementation of the SME test, as well as the reduction of administrative burden for businesses and simplification of rules and procedures.

Measure 5.1 Development of digital services for SMEs

Identified needs	<p>Need for further introduction of e-services for SMEs.</p> <p>Need for provision of e-services and online payment options for transfers to public authorities.</p> <p>Need for adoption of ICT tools for more efficient communication and collaboration between different public administrations (G2G) to support the full implementation of the “once-only” principle.</p>
Strategic objective	Bulgarian SMEs to be well-informed and to benefit from a single point of information, well-connected network and improved consultation process
Specific objectives	<p>Reduction of time and costs of the administrative services and procedures.</p> <p>Introduction of “digital by default” principle²</p> <p>Full implementation of the “once-only” principle³</p> <p>Digitalisation of administrative services.</p> <p>Improving the interaction between the capital market institutions involved in the respective processes through digitalisation, automation and integration of systems and databases.</p>
Cross-reference to relevant	Updated eGovernment Development Strategy in the Republic of Bulgaria

² delivering services digitally as the preferred option through a single contact point

³ ensuring that citizens and businesses supply the same information only once to a public administration;

strategic documents and policy interventions	2019 – 2023 National Program "Digital Bulgaria 2025" and Roadmap to it Digital Transformation of Bulgaria 2020-2030 – strategic national policy document for digitalisation
Expected results	Improved digital services for SMEs, entrepreneurs and data exchange between institutions. Full implementation of the “digital by default” principle in order to reduce the administrative burden by making digital delivery of services the default instrument of public administrations

Specific actions:

- 1) Introduction of a wider package of digital services for enterprises, especially at local level in municipalities, National Revenue agency, National Social Security Institute (NSSI), etc.
- 2) Provision of online payment options for enterprises’ transfers to public authorities.
- 3) Development of ICT tools for more efficient communication and collaboration between different public administrations (G2G) to support the full implementation of the “digital by default” and “once-only” principle.
- 4) Development of a Single Entry Point System to ensure compatibility and interaction between Financial Security Commission, Central Depository and Bulgarian Stock Exchange systems.

Measure 5.2 Support for better connectivity of SMEs: establishment of SMEs’ network and improved consultation process

Identified needs	Need for further development, popularisation and update of a single point of information
Strategic objective	Bulgarian SMEs to be well-informed and to benefit from a single point of information, well-connected network and improved consultation process
Specific objectives	Better informed SMEs about legislation changes, including more systematic and up-to-date information about requirements and

	<p>procedures for starting business and business operations.</p> <p>Improved connection between SMEs on national and international level.</p> <p>Improved process of consultation with SMEs regarding policy and strategic framework, as well as legislations that affect SMEs</p>
Cross-reference to relevant strategic documents and policy interventions	<p>Updated eGovernment Development Strategy in the Republic of Bulgaria 2019 – 2023</p> <p>National Program "Digital Bulgaria 2025" and Roadmap to it</p> <p>Digital Transformation of Bulgaria 2020-2030 – strategic national policy document for digitalisation</p>
Expected results	<p>Better informed SMEs about legislation changes and procedures</p> <p>Improved cooperation between SMEs on national and international level</p> <p>Improved process of consultation with SMEs regarding policy making and legislation that affect SMEs</p> <p>Legislation that is better adapted to end-users</p>

Specific actions:

- 1) Development and popularisation of a single point of information about forthcoming and recent legislation changes, requirements and procedures, etc. with SMEs representatives.
- 2) Popularisation of platforms for cooperation between SMEs on national and international level - the Enterprise Europe Network, the [Single Digital Gateway](#), etc.
- 3) Update of the Business Guide for SMEs with more detailed information for: Starting a business, Business operations, Human Resources, Accounting and reporting, Financing, Commercial activities, Protection of personal data, Procurement, R&D, Construction, Change in the structure of the business, Termination of business activity, Cross border trade and operations, etc.

Measure 5.3 Promotion of the role of the national SME Envoy

Identified needs	Need for improved consultation process and better protection of the interests of SMEs
Strategic objective	Bulgarian SMEs to be well informed and to benefit from a single point of information and improved consultation process.
Specific objectives	Improvement of SMEs access to information on programs and initiatives. Improving the dialogue with SMEs on issues related to the regulatory framework. Identification and promotion of best European practices in SME and entrepreneurship policy.
Cross-reference to relevant strategic documents and policy interventions	National Reform Program Bulgaria National Development Program Bulgaria 2030 An SMEs Strategy for a sustainable and digital Europe
Expected results	SME interests to be taken into account in policy making at European and national level.

Specific actions:

- 1) Facilitate access to information of SMEs about programs and initiatives, which have an impact on SMEs.
- 2) Improvement of the dialogue with SMEs regarding regulations. Consultation procedures, which include more actively SMEs representatives.
- 3) Strengthening the public dialogue between SME organisations and public institutions, whose actions could have an impact on SMEs. Organisation of an "SME network" inside the public administration, composed of the SME contact points of all ministries with relevant policies in order to increase awareness about SME issues and regularly discuss initiatives focused on SMEs.
- 4) Identification and encouragement of best practises in the policy for SMEs and in the field of entrepreneurship implemented through different initiatives and programs.
- 5) Conduction of reports on different topics concerning SMEs at European, national and regional level.

Measure 5.4 Improvement of the business environment for SMEs

<p>Identified needs</p>	<p>Need for reduction of administrative burden.</p> <p>Need to improve administrative services in the following areas: dealing with construction permits; registering property especially at municipality level; connecting to the electricity supply network; enforcing contracts; participation of SMEs in public procurement; application of SMEs for EU and national funding.</p> <p>Need for building administrative capacity for impact assessment in the administration and application of SME Test.</p>
<p>Strategic objective</p>	<p>Improvement of regulatory framework for SMEs by reducing administrative burden and simplifying administrative procedures</p>
<p>Specific objectives</p>	<p>Ensure appropriate regulatory and administrative framework for SMEs through applying the "Think Small First" principle.</p> <p>Development of capacity for regulatory impact assessment for policies affecting SMEs.</p> <p>Development and continuation of rigorous application of the "Think Small First" principle.</p> <p>Full implementation of the "once-only" principle.</p> <p>Introduction of the principle of "tacit consent".</p> <p>Introduction of the "one-in, one-out" (OI-OO) principle. (introduction of a new legal act only in case of repeal of an existing one).</p> <p>Adjusting the regulatory framework and limiting the administrative burden.</p> <p>Reducing number of procedures, time and costs for SMEs, especially in dealing with construction permits; registering property especially at municipality level; connecting to the electricity supply network; enforcing contracts; participation in public procurement; application for EU and national funding.</p> <p>Review and analysis of regulations affecting SMEs.</p>

Cross-reference to relevant strategic documents and policy interventions	<p>Public Administration Development Strategy</p> <p>An Action Plan with Measures Addressing Major Problem Areas that Impede Investment Growth</p> <p>National Reform Program Bulgaria</p> <p>National Development Program Bulgaria 2030</p>
Expected results	<p>Reduced administrative burden and simplified legislation for SMEs. Introduction of the principle of "tacit consent".</p> <p>Simplified administrative procedures</p> <p>Reduction of number, time and cost for administrative services and administrative procedures</p> <p>Minimal administrative burden for businesses</p> <p>SME-test to be fully part of the regular assessment of legislation and to be applied for all relevant amendments of current and adoption of new legislations</p>

Specific actions:

- 1) Application of Regulatory Impact Assessment. Development of capacity of central administration for Regulatory Impact Assessment and assessment of cost effects of proposed legislation and regulations on costs for SMEs. Identification of the existing legislation, which is particularly burdensome for SMEs.
- 2) Reducing administrative procedures, time for implementation and their costs regarding: dealing with construction permits; registering property especially at municipality level; enforcing contracts; connecting to the electricity supply network.

Measure 5.5 Easing the participation of SMEs in public procurement

Identified needs	Need for specific knowledge and capacity for participation of SMEs in public procurement
Strategic objective	Reduction of administrative burden regarding participation of SMEs in public procurement.

Specific objectives	<p>Better prepared SMEs for electronic application process</p> <p>Reduction of time needed for preparation and complexity of public procurement procedure</p> <p>Easy access to information for public procurement procedures for SMEs</p> <p>Provision of online training resources in how to apply for public procurement</p> <p>Development of “SME-friendly” procurement practices</p>
Cross-reference to relevant strategic documents and policy interventions	<p>Public Administration Development Strategy</p> <p>National Strategy for the Development of the Public Procurement Sector in Bulgaria</p>
Expected results	<p>Reduced burden and simplified procedure for public procurement.</p> <p>Maintaining a high level of publicity and transparency of public procurement.</p> <p>Improvement of the business environment by stimulating competition, creating more opportunities to SMEs.</p>

Specific actions:

- 1) Raising awareness among SMEs on the status of public procurement market in Bulgaria. Implementation of an analysis and data on public procurement rules and procedures including number of public procurements, number of contracting authorities, number of contractors, share of procurement with European financing, number of public procurements in accordance with the object - delivery of goods, provision of services, construction, number of contracts and value, share of procedures appealed and irregularities observed.
- 2) Creation of sustainable administrative capacity and further development of skills and competences, as well as knowledge and understanding within the Contracting authorities in order to achieve efficient and effective specification of tender documentation, provide for professional evaluation of tender bids, and thus allow for optimal selection of SMEs suppliers.
- 3) Development of capacity among SMEs for applying in public procurement procedures through web-based trainings with video content.
- 4) Continuing increase of publicity and transparency in public procurement, integrating the internet websites with relevant information at local and central level in one single web platform, achieving

compliance with the standards adopted in the case of reporting project performance and results under the European Funds' programmes.

Measure 5.6 Second chance, late payment and easing the transfer of business

<p>Identified needs</p>	<p>Need for building an environment where entrepreneurs with difficulties quickly and easily to close a failed business and start a new one.</p> <p>Need for a change in the attitude of population regarding second chance for entrepreneurs; more tolerant and supportive society for entrepreneurs with difficulties and business closure.</p> <p>Need to protect SMEs from bankruptcy or facing liquidity problems due to late payment from public institutions and business partners to SMEs.</p> <p>Need to ease the transfer of business in order to protect and encourage family business inheritance.</p>
<p>Strategic objective</p>	<p>Bulgarian SMEs to have easy-to-follow procedures for closing a business and starting a new one, better accepted and supported second chance for businesses</p>
<p>Specific objectives</p>	<p>Reduced time and costs to close a business</p> <p>Increase in the degree of support for a second chance</p> <p>Reduction in delays for business-to-business and government-to-business payments</p> <p>Preventing SMEs from late payment difficulties by encouraging alternative financial sources – factoring, forfaiting, etc.</p> <p>Encourage SME business inheritance</p>
<p>Cross-reference to relevant strategic documents and policy interventions</p>	<p>Small Business Act</p> <p>Small and medium-sized enterprises Act</p>
<p>Expected results</p>	<p>Reduced time and costs to close a business.</p>

	<p>Increase in the degree of support for a second chance.</p> <p>Strengthening of insolvency framework.</p> <p>Reduction in delays for business-to-business and government-to-business payments.</p> <p>Preventing SMEs from late payment difficulties by encouraging alternative financial sources – factoring, forfaiting, etc.</p> <p>Encourage SME business inheritance</p>
--	---

Specific actions:

- 1) Amendments in the legal framework in order to reduce time to close a business, reduce cost to close a business and strengthen the insolvency framework.
- 2) Initiate public discussion in order to change public perceptions on fear of failure and the degree of support for a second chance.
- 3) Amendments in legislation to prevent delays in government-to-business and business-to-business payments.
- 4) Preventing SMEs from late payment difficulties by encouraging alternative financial sources - factoring, forfaiting, etc.
- 5) Encourage SME business inheritance.

Priority 6: Environment

The recently adopted European Green Deal (2019) is a roadmap initiated by the European Commission in response to the EU's commitment to climate change. The European Green Deal confirms that achieving a climate-neutral and circular economy requires full mobilization of industry, incl. SMEs. Although European industry has already started the change, it remains dependent on the amount of processed raw materials that are extracted, traded and processed into goods, and finally disposed of as waste or emissions. Within the EU, the transition is an opportunity to expand sustainable and job-creating economic activity. There is significant potential in global markets for technologies, sustainable products and low-emission services. The circular economy also offers great potential for new activities and jobs. Bulgaria have to ensure compliance with its current commitments under EU legislation related to waste management, energy efficiency, pollution control, and etc. SMEs have an important role to play in these efforts, which are partly related to different permits and which will be implemented through national, regional and municipal programs. At present, the prevailing sentiment among SMEs is focused on costs rather than benefits. Therefore, policies and interventions are needed to help reorient the way of thinking so that SMEs perceive the circular economy, resource efficiency and environmental protection as an opportunity, an engine of growth, investment and exports, and the potential for added value.

Measure 6.1 Support to the improvement of energy and resource efficiency of SMEs and increased use of renewable energy sources

Identified needs	<p>Need for encouraging and supporting the transition of SMEs to low-carbon model of development and activity by reconsidering and improving their energy efficiency and resource productivity (i.e. how efficiently the economy uses material resources to produce wealth).</p> <p>Need for encouraging and supporting SMEs to adopt renewable energy sources of energy in their operations</p>
Strategic objective	Bulgarian SMEs to improve their resource productivity and energy intensity, as well as to be encouraged to use more renewable energy sources, in order to contribute to the country's climate neutrality by 2050.
Specific objectives	<p>Increase in number of SMEs, which have adopted resource efficiency measures, incl. efficient use of water as a resource.</p> <p>Increase in number of SMEs, which have improved their energy efficiency</p>

	Increase in number of SMEs, which use renewable energy
Cross-reference to relevant strategic documents and policy interventions	National Development Programme National Reform Programme National Waste Management Plan Strategy and action plan for the transition to a circular economy for the period 2021-2027 National plan in the field of energy and climate EU strategy for energy system integration National strategy for adaptation to climate change and action plan
Expected results	Improved resource efficiency of SMEs Improved energy efficiency of SMEs Enhanced use of renewable energy in SMEs

Specific actions:

- 1) Support for enhanced use of energy efficiency in SMEs. Strengthening the network of energy auditors.
- 2) Support for resource/material efficiency⁴ and a general shift to circularity within SMEs. Improving the efficient use of water as a resource in SMEs and encouraging its reuse. Creation of a network of resource auditors.
- 3) Support for the enhanced use of different types of renewable energy by SMEs in line with the best European practices (photovoltaic, wind, hydro, biomass and cogeneration systems, etc.).

Measure 6.2 Promotion and adoption of environmental management certification by SMEs

Identified needs	Need for encouraging SMEs to certify under environmental management certification schemes such as EMAS and the less demanding ISO 14001, ISO 9001 and ISO 5001 certification.
-------------------------	--

⁴ The amount of resources used by the economy/company per value generated

Strategic objective	Bulgarian SMEs to improve their environmental performance and to acknowledge that the development and distribution of green products through EU ecolabel certification.
Specific objectives	Support for SMEs in the process of the EU Eco-Management and Audit Scheme (EMAS) certification, ISO 14001, ISO 9001 and ISO 5001 certification Promote sectoral <u>Best Environment Management Practices (BEMPs)</u> among SMEs in different sectors
Cross-reference to relevant strategic documents and policy interventions	European Green Deal An SMEs Strategy for a sustainable and digital Europe A New Industrial Strategy for Europe National Waste Prevention Programme
Expected results	Increased awareness among SMEs of the benefits of different types of environmental certification and enhanced capacity to implement the EU Eco-Management and Audit Scheme (EMAS). Alignment of the operation of SMEs from different sectors with sectoral Best Environment Management Practices (BEMPs).

Specific actions:

- 1) Support for SMEs to fulfil the process of certification of EU Eco-Management and Audit Scheme (EMAS)⁵, ISO 14001 (environmental management)⁶, ISO 5001 (energy management) and ISO 9001 on quality management certification.
- 2) Focus on and support for several highly visible lighthouse EMAS projects in key sectors for the Bulgarian economy.
- 3) Promote sectoral Best Environment Management Practices (BEMPs)⁷, developed by the Joint Research Centre (JRC), as the main documents of the EC about greening a certain sector.

⁵ EMAS - Management tool for companies and other organisations to evaluate, report and improve their environmental performance.

⁶ ISO 14001 – Environmental Management System - management tool for companies and other organisations

⁷ Best Environment Management Practices (BEMPs) – Documents produced by the Joint Research Centre (JRC) of the EC for different sectors together with Sectoral Reference Documents (SRDs)

- 4) Promote a culture of environmental responsibility among SMEs through capacity building and through the recognition of enterprises, which are environmentally responsible.

Measure 6.3 Support the participation of SMEs in strategic value chains of the European Union

As a consequence of recent EU policy (i.e. EU Green Deal and the EU Circular Economy Action Plan (CEAP)) certain sectors need to receive focused support by the Member States. These sectors include electronics and ICT; batteries and vehicles; packaging; plastics; textiles; construction and buildings; bioeconomy (including the blue bioeconomy).

Identified needs	<p>Need for encouraging Bulgarian SMEs in perspective sectors to become part of the European value chains.</p> <p>Need for promotion of more intensive SME circular activity as part of the overall transition to low-carbon emissions and low-carbon economy.</p>
Strategic objective	<p>Bulgarian SMEs to better integrate into the European value chains, especially in the context of circular economy. Bulgarian SMEs to increase their capacity to understand the circular economy and to implement its business models. Bulgarian SMEs to take their place in the circular economy transition and benefit from it as an opportunity for growth, investment and export.</p>
Specific objectives	<p>Support for SMEs to become more circular, competitive and to join strategic value chains of the EU.</p> <p>Support Bulgarian SMEs producing bio-based products and potential feedstock providers to get integrated in European bioeconomy value chains (e.g. through the <u>Bio-based Economy Joint Undertaking</u> or its successor the Circular Bio-based Europe Partnership).</p> <p>Support Bulgarian blue bioeconomy start-ups, which explore the possibilities to use organic stock from the Bulgarian Black Sea coast for bio-based products (see <u>Blue Bioeconomy Forum</u>).</p>
Cross-reference to relevant strategic documents and policy	<p>European Green Deal</p> <p>EU Circular Economy Action Plan (CEAP)</p>

interventions	<p>EU Bioeconomy Strategy</p> <p>EU Blue Bioeconomy Roadmap</p> <p>A New Industrial Strategy for Europe</p> <p>An SMEs Strategy for a sustainable and digital Europe</p> <p>EU Farm to Fork Strategy</p> <p>EU Strategy for Plastics in a Circular Economy</p>
Expected results	<p>Increase of the capacity of SMEs with regards to taking part in the transition to circular economy.</p> <p>Better understanding by Bulgarian bioeconomy SMEs for the business opportunities and the potential of the integration into European bioeconomy value chains.</p>

Specific actions:

- 1) Support SMEs to better integrate into the European value chains in the context of circular economy. Implementation of targeted actions towards increasing the circularity of the individual SMEs or value chains by adopting circular business models such as:
 - a. substitution of raw materials with secondary ones;
 - b. shift to product-service systems;
 - c. functional economy (selling the use, not the product)
 - d. undertaking industrial symbiosis synergies;
 - e. substituting products or packaging with bio-based ones;
 - f. adopting smart/circular design for better reuse, repair ability, material efficiency, increasing the lifetime of the product;
 - g. manufacturing initiatives; etc.
- 2) Support for SMEs to reduce and substitute the use of plastics in their production processes (including plastic packaging) in line with the European Strategy for Plastics in a Circular Economy. Support SMEs producing single-use plastics to adapt to the production of bio-based products (to ensure compliance with the Single Use Plastics Directive 2019/904).
- 3) Support SMEs in the sector of the bioeconomy (including blue bioeconomy) to access markets and develop bio-based products.
- 4) Modernisation of the regulatory framework in the field of modern biotechnology and genetic resources.

Measure 6.4 Improvement of the capacity of SMEs in regards to the transition to circular and low-carbon economy

<p>Identified needs</p>	<p>Need for enhancing SMEs capacity to play their role in the process of transition to the circular and low-carbon economy</p> <p>Need for encouraging of SMEs to become more engaged with separate collection and recycling of municipal solid waste (MSW) and other waste streams</p> <p>Need to encourage SMEs to use water efficiently in production processes, including encouraging water reuse and introducing closed cycles in enterprises to save water.</p> <p>Need for encouraging of SMEs to start exploiting new circular business models</p>
<p>Strategic objective</p>	<p>Bulgarian SMEs to better integrate into the European value chains, especially in the context of circular economy. Bulgarian SMEs to increase their capacity to understand the circular economy and to implement its business models. Bulgarian SMEs to take their place in the circular economy transition and benefit from it as an opportunity for growth, investment and export.</p>
<p>Specific objectives</p>	<p>Engage a wide spectrum of actors and business intermediaries (e.g. Chambers of commerce, sectoral organisations) in capacity building efforts targeting SMEs. Circular business models (CBM) to become recognizable by Bulgarian SMEs.</p> <p>Encourage of Extended producer responsibility (EPR) schemes in Bulgaria.</p> <p>Higher use of circular secondary materials by Bulgarian SMEs.</p> <p>Industrial symbiosis synergies are common for Bulgarian SMEs.</p> <p>Introduce incentives for the introduction of new technologies in order to improve resource efficiency, including water as a resource.</p>
<p>Cross-reference to relevant strategic documents and policy interventions</p>	<p>National Development Programme</p> <p>National Reform Programme</p> <p>National Climate Change Adaptation Plan until 2030</p>

	<p>National Waste Management Plan 2021-2028</p> <p>Strategy and action plan for the transition to circular economy 2021-2027</p> <p>National Strategy for Management of Construction and Demolition Waste</p> <p>National Renewable Energy Action Plan</p>
Expected results	<p>Better incorporation of SMEs in the circular economy.</p> <p>Better recycling practices in SMEs, which generate large amount of waste.</p> <p>Overall more effective and efficient EPR schemes in Bulgaria covering more waste streams.</p> <p>Higher use of secondary material use by Bulgarian SMEs including through more industrial symbiosis synergies.</p>

Specific actions:

- 1) Launch of a series of capacity building programmes for SMEs across the country on:
 - circular economy concepts;
 - new circular business models at regional and local level; and opportunities for SMEs in the process of transition to circular economy
 - making different value chains more circular (with the support of branch organisations, sectoral associations and business intermediaries)
- 2) Support the effectiveness and efficiency of Extended Producer Responsibility (EPR) schemes and extend them to sectors generating high quantities of waste.
- 3) Support SMEs and start-ups to adopt concrete circular business models such as reuse, repair ability, reverse logistics, remanufacturing, industrial symbiosis, etc. Support SMEs in the shift from product sale to service provision.
- 4) Support SMEs to increase the share of recycled waste on a sectoral basis with a particular focus on those sectors generating significant amounts of waste (e.g. construction and demolition, building renovation, etc.). Launch several lighthouse projects in individual sectors.
- 5) Support SMEs to improve sustainability of their raw materials and increase the share of secondary raw materials in production processes. Support SMEs for efficient use of water as a resource in production processes, including the promotion of water reuse and the introduction of closed cycles in enterprises in order to save water.

- 6) Launch of a pilot project on industrial symbiosis as one of the circular business models.

Measure 6.5 Promotion of green products through EU ecolabel, Environmental Technology Verification system and circular design

Identified needs	<p>Need for encouraging SMEs to certify their products and services under the EU Ecolabel scheme</p> <p>Need for encouraging SMEs to verify their technologies under the <u>Environmental Technology Verification Programme</u></p> <p>Need for encouraging the transition to eco-design and circular design</p> <p>Need for encouraging SMEs to produce bio-based products as substitutes for fossil-based products</p>
Strategic objective	<p>Bulgarian SMEs to improve their environmental performance and to acknowledge the development and distribution of green products through EU ecolabel certification.</p>
Specific objectives	<p>Support SMEs in the process of certifying green products under the EU ecolabel</p> <p>Increase capacity of SMEs in shifting to eco- or circular design⁸</p>
Cross-reference to relevant strategic documents and policy interventions	<p>National Waste Prevention Programme as part of the National Waste Management Plan 2021-2028</p>
Expected results	<p>Increased awareness among SMEs of the benefits of green products, eco-labelling and eco- and circular design, and product environmental footprint (PEF) benefits.</p> <p>Enhanced capacity among SMEs to develop green products and acquire EU ecolabel for green products.</p>

Specific actions:

⁸ Circular design – concerns products, business models, cities, and the linear systems changing them to circular

- 1) Support for SMEs to certify products under the EU ecolabel.
- 2) Support for SMEs to shift to eco-design and circular design.
- 3) Support for SMEs to substitute fossil-based products with alternative or bio-based products.

COVID-19 SME policy response

Most of the SMEs were affected considerably by the economic stagnation and the aggravated financial conditions including higher rates of late payment. The recent experience revealed the urgent need for financial support for the SMEs in order to encourage the economic activity and reduce the negative effects from the economic crisis. In response to the crisis, the European Commission adopted Europe's moment: Repair and Prepare for the Next Generation, which is essential to the implementation of measures for support of SMEs on national level.

Measure 1 Ensuring solvency support to SMEs and incentivising private investments

- 1) Provision of grants and financial instruments to SMEs for microenterprises and small enterprises (including self-employed).
- 2) Provision of financial instruments and other support to SMEs to alleviate the negative effects from late payment.
- 3) Encourage the participation of SMEs and start-ups to initiate production of new products and services, as well as to adapt dual-use products in response to market demand in times of crisis. Support for SMEs to provide innovative production in the fields of pharmacy, health prevention, disease treatment and the use of new technologies as a rapid response to health crises.

Measure 2 Support for adoption of digital technologies, facilitating “work from distance” in SMEs

Support for SMEs to work from distance during the crisis.

- 1) Provision of grants/vouchers to SMEs for ICT consultancy services (IT development, IT support, etc.) to support SMEs in restructuring and automation of workflows as well as in digitalisation of work.
- 2) Provision of grants/vouchers to SMEs for the necessary ICT software, equipment and devices. Enhance cyber security tools and solutions.

Measure 3 Support for adoption of solutions aimed at health promotion, health protection and disease prevention

Many SMEs in specific economic activities cannot adjust easily to the constraints during epidemic situation. Their employees face difficulties in performing their duties with the available working conditions, premises, devices, etc.

The recent experience revealed the need for adopting new solutions aimed at health promotion, health protection and disease prevention. Such new solutions ensure healthy workplace and environment, which enables the employees of economic sectors like tourism, transportation and storage, trade, health and education to execute their jobs and communicate with clients, patients and students in a safe way.

- 1) Provision of grants for adoption of new solutions aimed at health promotion, health protection and disease prevention to be used by the economic activities, which require direct contact with clients in the following sectors: Tourism; Transportation and storage, Wholesale and retail trade; Repair of motor vehicles and motorcycles, Accommodation and food service activities; Human health and social work activities, Education, Travel agency, Tour operator and other reservation services and related activities; etc.).

Measure 4 Support for digitalisation of services provided by arts, entertainment and creative industries

Most of the SMEs in the Arts, entertainment and creative industries have been affected severely by the social distancing constraints. The recent experience revealed the need for digitalisation, innovative solutions and new products to efficiently adapt to restrictions related to continuous and potential future epidemic situations. Such innovations, new products and digital solutions contribute to enhanced capacity for online distribution and e-commerce in the sector.

- 1) Provision of grants for adoption of digital technologies (professional equipment, renovation of facilities, acquisition of specialised software products) allowing for online distribution and e-commerce of the products and services of the Arts, entertainment and creative industries.
- 2) Provision of trainings for the human resources in the Arts, entertainment and creative industries to enhance their digital skills.

Measure 5 Support for strengthening the SMEs in the Human health and social work activities

The SMEs in the sector of Human health and social work activities including health institutions, laboratories, rehabilitation and special needs centres for children and people with disabilities, etc. have been affected considerably by the social distancing constraints.

The recent health crisis revealed the needs for more SMEs in the sector as well as modernisation, digitalisation, innovative solutions and new products to efficiently adapt to restrictions related to continuous and potential future epidemic situations. Such strengthening of the SMEs in the sector will provide for enhanced capacity for delivering services in the field of human health and social work under continuous and potential future epidemic situations. The measure aims to support SMEs in the three major groups of

medical institutions in accordance with the medical activities carried out under the Medical Institutions Act (PHA), namely: medical institutions for outpatient care (outpatient clinics for primary or specialized medical care, independent medical diagnostic and medical-technical laboratories, dental centres, etc.), medical institutions for hospital care (for active treatment, long-term treatment, rehabilitation, etc.) and medical institutions with certain specifics and features (emergency medical care centre, mental health centre health, hospice, medical and social care homes, dialysis centre, tissue bank, etc.).

- 1) Provision of grants and financial instruments for modernisation and digitalisation of SMEs and start-up enterprises in the Human health and social work activities – purchase of professional equipment, renovation of facilities, acquisition of specialised software products, development and adoption of ICT applications, etc.
- 2) Provision of trainings for the human resources in the Human health and social work activities to enhance their digital skills, etc.

National and regional priority sectors

The developed priorities, measures and actions will be implemented both at national level, taking into account all applicable economic activities, and at regional level, based on sectoral specialisation through enhanced support for SMEs in specific sectors in different areas of the country. The sectoral specialisation aims to promote the development of higher-tech industries and knowledge-intensive services. It also envisages strengthening SMEs in the manufacturing industries, which are typical for the individual regions.

Sectoral and regional specialisation

The sectoral specialisation of the Strategy aims at fostering the transformation of SMEs towards higher technology industries and high-tech knowledge-intensive services. The core of the strategy is the identification of the national priority economic activities, which include:

NACE code	Economic Activity
N	High technology manufacturing industries
C21	Manufacture of basic pharmaceutical products and pharmaceutical preparations
C26	Manufacture of computer, electronic and optical products
	Medium high-technology manufacturing industries
C20	Manufacture of chemicals and chemical products
C27	Manufacture of electrical equipment
C28	Manufacture of machinery and equipment
C29	Manufacture of motor vehicles, trailers and semi-trailers
C30	Manufacture of other transport equipment
	Other manufacturing industries
E38	Waste collection, treatment and disposal activities; materials recovery
E39	Remediation activities and other waste management services
	High-tech knowledge-intensive services
J59	Motion picture, video and television programme production, sound recording, and music publish activities
J60	Programming and broadcasting activities
J61	Telecommunications
J62	Computer programming, consultancy and related activities
J63	Information service activities
M71	Architectural and engineering services; technical testing and analysis services
M72	Scientific research and development

The development of these priority sectors by district proves the existence of a clearly defined need for policies to encourage enterprises and increase the number of high-tech SMEs and knowledge-intensive SMEs at district level, moreover, in some areas these enterprises represent a small proportion of all SMEs.

In the period 2008-2018, the share of the Bulgarian enterprises in high-tech manufacturing and knowledge-intensive services has increased from 15.5% to 19.8% and this growth is expected to continue in the next years. The share of persons employed in these economic activities has increased in a similar pattern – from 15.7% in 2008 to 18.6% in 2018, and there are indications of a potential growth to 19.4% in 2020. In addition, the percentage in the total value added of these enterprises is substantially higher – it increased from 22.3% to 26.6% for the same period, and expectations show that in 2020 the value of the indicator will reach 27.7%.

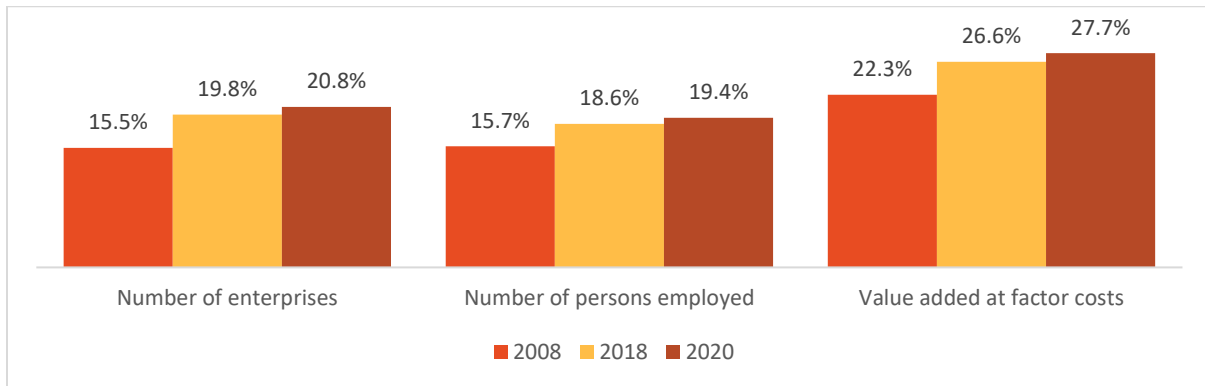
All these observations indicate for a steady restructuring of Bulgarian SMEs and labour market towards high- and medium-high technology industries and knowledge-intensive services. Nevertheless, the structure of the Bulgarian economy differs from the convergence benchmark countries⁹ and of the EU in general. Convergence gaps¹⁰ for knowledge-intensive services are much higher than these for high- and medium-high technology industries. Although the latter industries still need to be further developed, to a certain extent their development is comparable to that of the convergence benchmark. In general, there is a substantial lag of knowledge-intensive services in Bulgarian SMEs¹¹, which need a special attention in the policy interventions.

⁹ Based on the in-depth SMEs analysis elaborated for the purposes of this strategy, the identified convergence benchmarks with EU members with similar economies include Hungary, Portugal, Greece, and Slovakia. Bulgarian SMEs sector specifics as well as its evolution over the last decades (both due to policy factors and exogenous improvement of the business environment) are very similar to the processes, through which SMEs in these four countries have been going through in the past. The set convergence benchmarks mean that it is feasible and reasonable to expect that in the forthcoming decade Bulgarian SMEs could further develop and catch up with Hungarian, Portuguese, Greek and Slovak enterprises, provided adequate interventions are undertaken.

¹⁰ Convergence gap is defined as the disparity in the SMEs distribution of Bulgaria on the one hand, and that of the convergence benchmark economies on the other hand. It is measured in terms of number and percentage of enterprises, as well as number and percentage of employed persons by economic activities (at 2-digit levels, NACE Rev. 2).

¹¹ With the exception of ICT related services, which are overperforming in comparison to the convergence benchmark, and recent dynamics indicate for highly likely convergence towards more developed EU member states in the medium run.

Figure 1 Bulgarian enterprises in high-tech manufacturing and knowledge-intensive services: share in total number, share in total employment and share in total value added (%)



Source: 2019 SBA Fact Sheet Bulgaria

Therefore, the National Strategy of SMEs 2021-2027 prioritises the sectors in the high-technology and medium high-technology manufacturing industries and high-technology knowledge-intensive services.

The cross-relation of the national strategy to key European policies concerning the transition of the economy to sustainability, circular economy and energy and resource efficiency has outlined the economic activities under **E38 Waste collection, treatment and disposal activities; materials recovery** and **E39 Remediation activities and other waste management services**. Thus, the SME strategy has the ambition to promote circular economy to SMEs and encourage them to achieve environmental-friendly, efficient and sustainable development, which will lead to sustainable economic growth.

The sectoral specialisation at national level is considered regarding the recent and expected restructuring of the Bulgarian economy and labour market. The manufacturing industries experience a shift towards economic activities with relatively higher value added, which is expected to continue during the period 2021 – 2027. High-technology knowledge-intensive services represented around 6% of the value added of all services in 2008, whereas their importance to the economy is growing to 13% share of all services in 2019.

In this context, the National Strategy of SMEs 2021-2027 aims to achieve the following targets:

- Increasing the number of SMEs and their competitiveness in high- and medium-high technology manufacturing industries and high-technology knowledge-intensive services;
- Increasing the value added of the products and services of SMEs;
- Support for the employment of qualified labour force in SMEs;
- Support for technology modernisation and digitalisation of SMEs;

- Encouragement of SMEs for implementation of clean technologies, including circular economy, increase of the resource and energy efficiency leading to sustainable growth.

In addition to the national priority activities, the National Strategy for SMEs 2021-2027 includes regional policy dimensions. As a result of the regional specialisation analysis are defined additional priority sectors on regional level. Thus, the strategy fulfills its aim to encourage sectors with regional importance, high concentration of enterprises, significant value added and high employment to the regional economic development. SMEs in these sectors will be encouraged to increase their competitiveness and achieve sustainable development. Among the following economic sectors are outlined regional leading sectors based on analysis:

NACE code	Economic activity
C10	Manufacture of food products
C11	Manufacture of beverages
C13	Manufacture of textiles
C14	Manufacture of wearing apparel
C15	Manufacture of leather and related products
C16	Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials
C17	Manufacture of paper and paper products
C18	Printing and reproduction of recorded media
C19	Manufacture of coke and refined petroleum products
C22	Manufacture of rubber and plastic products
C23	Manufacture of other non-metallic mineral products
C24	Manufacture of basic metals
C25	Manufacture of fabricated metals products, excepts machinery and equipment
C31	Manufacture of furniture
C32	Other manufacturing
C33	Repair and installation of machinery and equipment
J58	Publishing activities

The regional concentration of high-technology manufacturing industries and knowledge-intensive services is extremely uneven with two well-defined poles – the Sofia City region, being the imperative leader, and the rest of the country, lagging behind in the number of persons employed, total revenue and turnover per employee. Thus, the sectoral concentration of SMEs across Bulgarian regions reveals that targeted intensive interventions are needed to foster SMEs development in all other regions of the country.

An important aspect in the identification of further sectoral specialisation is the inter-sectoral framework

of the Bulgarian economy¹², which reveals the main sectoral users of the products of high- and medium-high-technology manufacturing industries and knowledge-intensive services. Thus, the following additional economic activity has been identified: **M71 Architectural and engineering services; technical testing and analysis services**. It is due to the current economic role of the sector Construction at national and regional level, which is contributing to a considerable share in the demand of the services of the former. The inclusion of M71 Architectural and engineering services; technical testing and analysis services in the priority list of economic activities will encourage digitalisation and modernisation of both these services and Construction sector will facilitate the adoption of new technologies, including green technologies, and further contribute for the development of knowledge-intensive services in the economy.

These interrelations are underlying the specification of potential for high-technology and knowledge-intensive specialisation in each separate region based on the current national priorities as follows:

¹² Inter-sectoral relations between high-technology manufacturing industries and knowledge-intensive services are drawn from the country Use and Supply tables compiled by the NSI. For more information please see the In-depth analysis of the SMEs in Bulgaria elaborated for the purposes of this Strategy.

Region	Current and potential hi-tech / knowledge intensive specialisation	Other current specialisation in manufacturing industries	Specialisation in other sectors (beyond the scope of this Strategy)
North Western			
Vidin	C30 Manufacture of other transport equipment M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities	C14 Manufacture of wearing apparel C10 Manufacture of food products C22 Manufacture of rubber and plastic products	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Vratsa	C28 Manufacture of machinery and equipment n.e.c. C26 Manufacture of computer, electronic and optical products M71 Architectural and engineering services; technical testing and analysis services	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	Q86 Human health activities I56 Food and beverage service activities F41 Construction of buildings
Lovech	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C31 Manufacture of furniture C10 Manufacture of food products C16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	I56 Food and beverage service activities Q86 Human health activities I55 Accommodation
Montana	C27 Manufacture of electrical equipment C28 Manufacture of machinery and equipment n.e.c. J58 Publishing activities	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F42 Civil engineering
Pleven	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	Q86 Human health activities I56 Food and beverage service activities F41 Construction of buildings
North Central			
Veliko Tarnovo	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment C14 Manufacture of wearing apparel	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Gabrovo	C28 Manufacture of machinery and equipment	C14 Manufacture of wearing apparel	I56 Food and beverage service activities

Region	Current and potential hi-tech / knowledge intensive specialisation	Other current specialisation in manufacturing industries	Specialisation in other sectors (beyond the scope of this Strategy)
	n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C25 Manufacture of fabricated metal products, except machinery and equipment C10 Manufacture of food products	Q86 Human health activities F41 Construction of buildings
Razgrad	C30 Manufacture of other transport equipment M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities	C10 Manufacture of food products C14 Manufacture of wearing apparel C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Ruse	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment C20 Manufacture of chemicals and chemical products	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Silistra	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C14 Manufacture of wearing apparel C16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	I56 Food and beverage service activities Q86 Human health activities F43 Specialised construction activities
North Eastern			
Varna	C26 Manufacture of computer, electronic and optical products C27 Manufacture of electrical equipment C28 Manufacture of machinery and equipment n.e.c.	C10 Manufacture of food products C22 Manufacture of rubber and plastic products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities I55 Accommodation F41 Construction of buildings
Dobrich	C20 Manufacture of chemicals and chemical products C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C14 Manufacture of wearing apparel C22 Manufacture of rubber and plastic products	I56 Food and beverage service activities Q86 Human health activities F43 Specialised construction activities
Targovishte	C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities	C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment C14 Manufacture of wearing apparel	I56 Food and beverage service activities F41 Construction of buildings Q86 Human health activities

Region	Current and potential hi-tech / knowledge intensive specialisation	Other current specialisation in manufacturing industries	Specialisation in other sectors (beyond the scope of this Strategy)
Shumen	C20 Manufacture of chemicals and chemical products M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities	C10 Manufacture of food products C14 Manufacture of wearing apparel C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
South Eastern			
Burgas	M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities J63 Information service activities	C10 Manufacture of food products C22 Manufacture of rubber and plastic products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities I55 Accommodation F41 Construction of buildings
Sliven	C20 Manufacture of chemicals and chemical products M71 Architectural and engineering services; technical testing and analysis services J62 Computer programming, consultancy and related activities	C10 Manufacture of food products C13 Manufacture of textiles C14 Manufacture of wearing apparel	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Stara Zagora	C28 Manufacture of machinery and equipment n.e.c.; C20 Manufacture of chemicals and chemical products M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment C22 Manufacture of rubber and plastic products	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Yambol	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C31 Manufacture of furniture C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
South Central			
Kardzhali	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities F41 Construction of buildings Q86 Human health activities

Region	Current and potential hi-tech / knowledge intensive specialisation	Other current specialisation in manufacturing industries	Specialisation in other sectors (beyond the scope of this Strategy)
Pazardzhik	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials C10 Manufacture of food products C14 Manufacture of wearing apparel	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Plovdiv	C28 Manufacture of machinery and equipment n.e.c. C20 Manufacture of chemicals and chemical products C26 Manufacture of computer, electronic and optical products	C10 Manufacture of food products C14 Manufacture of wearing apparel C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F41 Construction of buildings
Smolyan	C27 Manufacture of electrical equipment C20 Manufacture of chemicals and chemical products C28 Manufacture of machinery and equipment n.e.c.	C14 Manufacture of wearing apparel C16 Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials C10 Manufacture of food products	I56 Food and beverage service activities F43 Specialised construction activities Q86 Human health activities
Haskovo	C28 Manufacture of machinery and equipment n.e.c. C27 Manufacture of electrical equipment M71 Architectural and engineering services; technical testing and analysis services	C14 Manufacture of wearing apparel C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F43 Specialised construction activities
South Western			
Blagoevgrad	J62 Computer programming, consultancy and related activities M71 Architectural and engineering services; technical testing and analysis services J63 Information service activities	C14 Manufacture of wearing apparel C10 Manufacture of food products C15 Manufacture of leather and related products	I55 Accommodation F41 Construction of buildings Q86 Human health activities
Kyustendil	C27 Manufacture of electrical equipment J58 Publishing activities C28 Manufacture of machinery and equipment n.e.c.	C15 Manufacture of leather and related products C14 Manufacture of wearing apparel C10 Manufacture of food products	I56 Food and beverage service activities Q86 Human health activities F43 Specialised construction activities

Region	Current and potential hi-tech / knowledge intensive specialisation	Other current specialisation in manufacturing industries	Specialisation in other sectors (beyond the scope of this Strategy)
Pernik	C27 Manufacture of electrical equipment C28 Manufacture of machinery and equipment n.e.c. M71 Architectural and engineering services; technical testing and analysis services	C10 Manufacture of food products C25 Manufacture of fabricated metal products, except machinery and equipment C14 Manufacture of wearing apparel	I56 Food and beverage service activities F43 Specialised construction activities Q86 Human health activities
Sofia Province	C28 Manufacture of machinery and equipment n.e.c. C20 Manufacture of chemicals and chemical products C27 Manufacture of electrical equipment	C10 Manufacture of food products C22 Manufacture of rubber and plastic products C25 Manufacture of fabricated metal products, except machinery and equipment	I56 Food and beverage service activities Q86 Human health activities F43 Specialised construction activities
Sofia City	C26 Manufacture of computer, electronic and optical products C27 Manufacture of electrical equipment C28 Manufacture of machinery and equipment n.e.c.	C10 Manufacture of food products C11 Manufacture of beverages C38.32 Recovery of sorted materials	I56 Food and beverage service activities F41 Construction of buildings F43 Specialised construction activities

A further elaboration on current and potential regional specialisation accounting for the above and all other high- and medium-high- technology manufacturing industries and knowledge-intensive services is presented on the maps¹³ below.

Figure 2 High-tech and medium-high-tech manufacturing industries and high-tech knowledge-intensive services specialisation

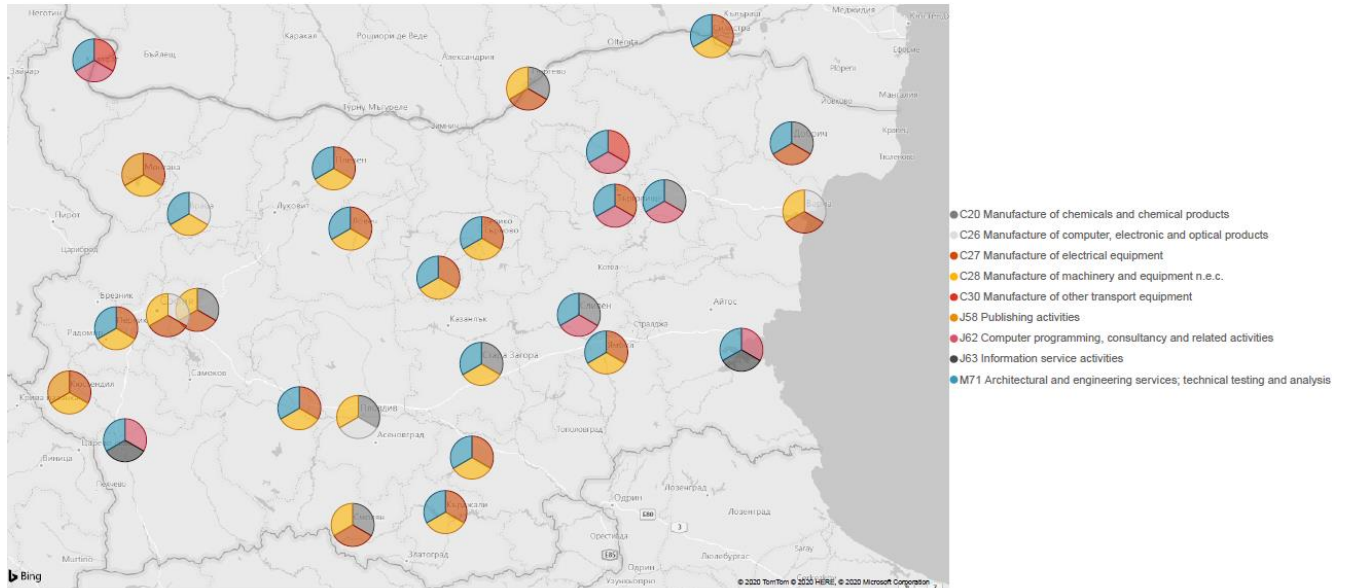
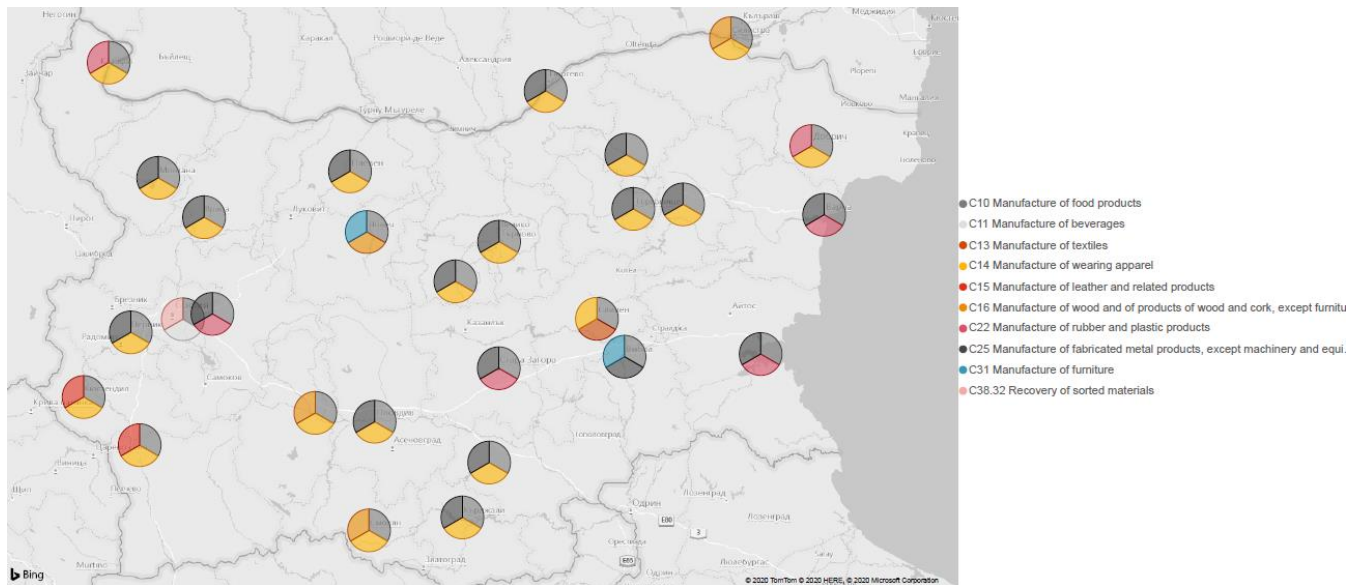


Figure 3 Specialisation in medium-low and low-technology manufacturing industries



¹³ Please note that these maps are with illustrative purposes only - to show the specialisation in each region. The maps' colours and proportions do not indicate the level of specialisation.

Horizontal policies: promotion of innovations and reducing information asymmetry

A special focus in the policymaking aimed at SMEs development is related to the promotion of innovations and reduction of information asymmetries. This focus is implemented in this strategy through relevant underlying measures in all elaborated priorities, which in turn are in full compliance with all other relevant strategic documents in this respect. Thus, the SMEs Strategy aims to improving the entrepreneurial ecosystem and the overall competitiveness (especially in the less developed regions, sectors and types of enterprises) by addressing specific SMEs needs and providing for a close coordination with the smart specialisation policy. In this way a substantial synergy effect is expected to affect positively the SMEs sector in the long-term.

As identified in the In-depth analysis of the SMEs in Bulgaria, there is a considerable margin for innovations improvement in numerous sectors and areas. A key associated strategic document is the *Innovation strategy for smart specialisation (ISSS)*, which contributes to the improvement of the innovation potential in the Bulgarian economy. In order to speed up the transition of Bulgarian enterprises to the knowledge-based economy and the circular economy, in addition to the ISSS, the following comprehensive policy measures are formulated horizontally in this strategy: promotion of the green economy and eco-innovations, strengthening the role of the European Digital Innovation Hubs, enhancement of the innovation-related skills, provision of trainings on the innovation process and the innovation management.

A major obstacle for the SMEs development is the lack of available information about all SMEs issues related both to their everyday business affairs and their long-term strategic plans. The current strategy explicitly addresses the SMEs access to information through formulation of a complete set of actions in every priority measure.

Prerequisites for the successful implementation of the Strategy

There are three main prerequisites for the successful implementation of the SMEs Strategy, namely:

- **The successful implementation of the Innovation Strategy for Smart Specialisation (ISSS).** The ISSS is the most important one of all associated national strategic documents whose objective is to enhance the innovation potential of the enterprises. However, a crucial factor that can influence the innovation activity of enterprises is economic growth: as a result of the previous economic crises, the

level of innovations in Bulgaria has dropped significantly. Therefore, the acceleration of the innovation processes correlates with the adequate and timely allocation of financial resources on behalf of both public authorities and private investors, and the quality of the investments in innovation. The development of innovations in turn is expected to increase SMEs competitiveness, in particular their internationalisation and exporting activities, which will directly contribute to the higher effectiveness and efficiency of the SMEs Strategy.

- Development of the formal and informal institutions underlying the attitudes and behaviour of all economic agents, the most important of which are **the rule of law, stable regulations, minimisation of the unregistered economy, avoidance of corrupt practices, well-functioning public institutions**. This stems from the impact of those institutions on the market rules, the fairness of competition, and the elimination of business entrance barriers (especially at the regional level). Another key factor for the effectiveness and efficiency of the implementation of the Strategy is the further development of **e-government**.
- **Transport services and infrastructure:** The highly insufficient supply of transport services is a major obstacle to labour mobility. It acts to further deepen the issue related to the impossibility to hire a sufficient number of qualified staff. The underdeveloped road infrastructure turns out to be a significant problem for SMEs since free movement of goods is limited and transportation costs are higher. In particular, the problem is very acute in the Northern part of the country and in the mountain regions, where the road infrastructure is in worse condition and underdeveloped. This also prevents foreign trade and access to neighbouring markets (especially in the case of border areas). Similar is the problem with the scarcity of transport solutions regarding the Danube river potential.
- **Macroeconomic environment, market conditions and income levels** which could be a major obstacle or a favourable determinant for SMEs growth.

Prerequisites for the successful implementation of measures in Environment

The specificity of the sector Environment is such that in principle all measures require intense collaboration with other ministries and agencies - mainly the Ministry of Environment and Waters but also, in certain cases, the Ministry of Agriculture and Food, the Ministry of Energy, the Ministry of Finance, etc. Measures are supposed to be implemented in coordination and synergies between the institutions will increase significantly the impact of the measures.

Some of the necessary and important in order to achieve progress in priority area “Environment”, which require coordinated horizontal effort from a number of governmental institutions are:

- **Improved strategic, political and fiscal framework enabling the transition to the circular economy:** Preparation of a National circular economy roadmap including a robust section on SMEs in cooperation with the Ministry of Environment and Water; mainstreaming the circular economy in the Partnership Agreement and the Operational Programmes for the 2021-2027 MFF, as well as in other existing and upcoming strategic documents; exploring opportunities to integrate circular economy in the environmental permits of the SMEs (Note: integrated permits are a major leverage for requesting ‘circular’ actions from companies); and adapting the fiscal framework to incentivise waste recycling by making it significantly cheaper. These actions would contribute in overcoming the insufficient coherence of SME-targeted measures and actions and the insufficient synergies and complementarities between stakeholders responsible for environmental and circular economy.
- **Higher compliance of SMEs with the existing legislation:** Enabling/supporting Bulgarian SMEs to reach compliance with current and upcoming environmental legislation through good enforcement (capacity building for compliance on one hand and on the other hand – do it through the enforcement system, developing a culture of collaborative inspection as opposed to punitive inspection). Actions in this area will help resolve problems in waste and water management, air quality, etc. and the problems in low compliance of Bulgarian SMEs with environmental legislation and weak enforcement.
- **Promotion of Green Public Procurement (GPP) tenders:** ensuring a larger scope of implementation of Green (and Circular) Public Procurement in Bulgaria by development of sustainable procurement criteria for different products and by adopting institutional innovations for GPP (in cooperation with the Ministry of Finance/Public Procurement Agency) and designing policy incentives for EMAS-certified companies and for companies with eco-labelled products (e.g. an advantage for grants during public procurement coordinated with the action on GPP, etc.).
- **Better understanding of the circular business models and the associated financial specificities:** capacity building, guidance materials, consultancy, etc.

- **Mapping and engagement of national, regional and local governmental and non-governmental organisations and enterprises, which could play a role of business intermediaries in the process of awareness raising and capacity building of SMEs.** In order to overcome the relatively low involvement of various circular economy actors in the implementation of the transition to the circular economy, some dedicated meetings could be organised to engage identified stakeholders.

Annex A

Action plan

Priority 1: Entrepreneurship

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁴
Measure 1.1 Fostering the entrepreneurial ecosystem			
1) Support for accelerators and business incubators possibly operated by internationally recognised networks of accelerators and incubators, which aim is to transfer best practices from other countries. Support for organisations of SME support organisations such as nationally represented labour organisations, branch chambers, etc.	PSRIDST PCIE MoE	2021- 2027	Budget of the Programmes is in process of definition.
2) Support for events, conferences, workshops, business meetings between start-ups and investors, and other initiatives to encourage entrepreneurship and networking at regional and local level.	MoE BSMEPA	2021- 2027	BGN 1 750 000
3) Support for active associations to promote SMEs such as business clusters, cooperatives, production associations and others in national and regional	PCIE PSRIDST	2021- 2027	Budget of the Programmes is in process of definition.

¹⁴ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

priority sectors.			
Measure 1.2 Promotion of entrepreneurship education and entrepreneurial transformation of Bulgarian higher education institutions			
1) Support for the establishment of entrepreneurship support structures within Bulgarian higher education institutions such as incubators, accelerators, entrepreneurship centres, etc. by promoting public-private partnerships.	MES	2021- 2027	
2) Support for the provision of entrepreneurship education courses in the curricula in natural sciences, technology, engineering and mathematics (STEM), arts and other fields of study at secondary and university educational level.	MES	2021- 2027	Administrative capacity
3) Support for training enterprises of students at schools and universities, who learn in practice how to develop their ideas into business. Development of current methodologies for conducting entrepreneurship training courses through practical classes.	MoE MES	2021- 2027	BGN 1 400 000
Measure 1.3 Support for start-up enterprises			
1) Review of the regulations for starting a business.	MoE	2021- 2027	Administrative capacity
2) Review of the regulatory complexity and restrictive licensing requirements in order to facilitate entry by new enterprises and increase of competition.	MoE	2021- 2027	Administrative capacity

3) Introduction of measures for start-up enterprises and SMEs seeking growth in international markets - provision of information about markets, consultancy, marketing and mentoring services related to internationalisation of SMEs.	MoE BSMEPA	2021- 2027	BGN 910 000
4) Development of new products and testing prototypes in laboratories.	Sofia Tech Park	2021- 2027	
5) Provision of technical due diligence services to enable more precise valuations of high-tech start-ups and prepare their investment readiness.	Sofia Tech Park Holding Fund	2021- 2027	BGN 1 050 000
6) Provision of technical assistance for intellectual property registration including the preparatory process for the application procedure, and the application procedure for registering intellectual property – consultations with specialists, legal help, etc.	BSMEPA Patent agency PCIE PSRIDST	2021- 2027	Budget of the Programmes is in process of definition.
7) Improving the conditions for doing business for start-ups. Improving regulations related to occupational medicine. Facilitate the liquidation procedures of an enterprise.	BDB PCIE PSRIDST	2021- 2027	Budget of the Programmes is in process of definition.
Measure 1.4 Promotion of key types of entrepreneurship			
1) Support the inheritance of family businesses by provision of seminars, trainings and consulting services related to family business inheritance. Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) to	MLSP PCIE BDB MoE	2021- 2027	

ensure the access to finance of family businesses.			
2) Support for self-employed and SMEs in key types of entrepreneurship (women, youth, seniors, unemployed, immigrants) to use of training, legal, consulting and mentoring services.	MLSP	2021- 2027	Administrative capacity
3) Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) supplemented with mentoring, coaching and counselling services to meet different needs of social entrepreneurs.	MLSP	2021- 2027	
4) Promote the use of the EC/OECD Better Entrepreneurship Policy Tool by local and regional authorities.	MLSP Municipalities	2021- 2027	Administrative capacity
Measure 1.5 Support for craftsmanship, rural entrepreneurship and creative industries including at regional level			
1) Provision of seminars, trainings and consulting services for agricultural and forestry owners/entrepreneurs in rural areas.	MAFF SFA	2021- 2027	
2) Financial instruments and grants to meet different needs of entrepreneurs and newly established enterprises in rural areas at local level.	MAFF SFA	2021- 2027	
3) Projects and measures encouraging craftsmanship and creative industries.	PCIE BSMEPA MoE	2021- 2027	BGN 2 000 000

	MAFF SFA		
--	-------------	--	--

Priority 2: Access to markets

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁵
Measure 2.1 Promotion of internationalisation of SMEs			
1) Further development and maintenance of the Export Hub Bulgaria, in particular its digital platform to provide information on: 1) support opportunities, public and other institutions; 2) up-to-date market research on marketing surveys on foreign markets; 3) international and regional trade fair and exhibitions; 4) Application of combined support measures in the promotion of internationalisation, which allow for simultaneous support to relevant SMEs for technological development, digitalisation, development of new products, and skills formation.	BSMEPA PCIE	2021- 2027	BGN 10 000 000
2) Preparation and conduction of information campaigns dedicated to internationalisation of SMEs.	BSMEPA MoE	2021- 2027	
3) Implementation of marketing measures and support for SMEs to develop and prepare promotion materials for international and regional trade fairs.	BSMEPA	2021- 2027	BGN 700 000
4) Support for the creation of export-oriented clusters, initiatives and associations of SMEs, and their inclusion in international value chains.	BSMEPA	2021- 2027	BGN 700 000

¹⁵ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁵
Measure 2.2 Support for SMEs to participate in trade promotion events			
1) Preparation of annual programmes by BSMEPA in accordance with the national and regional priorities in the strategy and the proposals of the stakeholders for participation of SMEs on trade fairs and major events.	BSMEPA	2021-2027	Administrative capacity
2) Conduction and/or support to SMEs for participation in international trade fairs, business conferences and business meetings in Bulgaria.	BSMEPA PCIE	2021- 2027	BGN 7 000 000
3) Support the participation of SMEs in international fairs, trade exhibitions and business conferences abroad.	BSMEPA PCIE	2021- 2027	BGN 20 000 000
4) Support of events with focus on SMEs, organised by branch organisations, SME and start-up associations, clusters, non-governmental organisations, etc.	BSMEPA PCIE	2021- 2027	BGN 3 500 000
5) Participation of SMEs as part of official business delegations and trade missions.	BSMEPA	2021- 2027	BGN 7 000 000
Measure 2.3 Specific support for SMEs with high export potential			
1) Development of export potential scorecard based on individual survey, NSI data and the expertise of nationally representative employers' organisations in the use of such platforms. Establishment of an automated system for calculation of the export potential of enterprises and thus creating an opportunity for accurate identification of SMEs with high	BSMEPA	2021-2024	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁵
export potential.			
Measure 2.4 Support for development of e-commerce			
1) Development and use of e-commerce web platforms for SMEs in key economic sectors as an integral section of the digital platform of the Export Hub Bulgaria.	BSMEPA	2021- 2027	Administrative capacity
2) Support to SMEs in the introduction and implementation of e-commerce solutions - websites, electronic payments, mobile internet solutions, internet security solutions, etc.	BSMEPA PCIE	2021- 2027	BGN 70 000 000
3) Encouragement of SMEs to use international e-commerce platforms through seminars, trainings and meetings.	BSMEPA PCIE	2021- 2027	BGN 700 000
4) Support to SMEs in adoption of analytical solutions based on big data, automation and AI, etc. in order to benefit from the advantages of e-commerce.	PCIE	2021- 2027	
Measure 2.5 Support for adoption of quality standards and standards for automatic identification and electronic data exchange to improve the access of SMEs to the Single Market			
1) Provision of information and promotion of small business-related standards and certification, including online information.	MoE Bulgarian Institute for Standardisation	2021- 2027	BGN 40 000

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁵
2) Support SMEs in adopting internationally recognised standards and certificates, etc.	PCIE	2021- 2027	
3) Support to SMEs for the introduction of global standards for automatic identification and electronic data exchange.			

Priority 3: Access to finance

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁶
Measure 3.1 Financial instruments for support of SMEs competitiveness			
1) Provision of grants and financial instruments to promote the adoption of new and modern technologies, digital solutions, specialised hardware and software by SMEs.	PCIE BDB Holding Fund	2021-2027	
2) Provision of grants and financial instruments for technology modernisation, development of new products and provision of new services.	PCIE BDB Holding Fund	2021-2027	
Measure 3.2 Provision of financial instruments and guarantee schemes for investment funding and export activities of SMEs			
1) Provision of different financial instruments for SMEs – bank loans, credit lines, leasing, factoring, etc.	BDB Holding Fund	2021-2027	

¹⁶ Resources needed / sources of financing

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁶
2) Provision of guarantee schemes to SMEs by the Bulgarian Development Bank Group, the National Guarantee Fund, the Holding Fund, etc.	BDB Holding Fund National Guarantee Fund	2021-2027	
3) Provision of pre-export and post-export financing through financial instruments that will support the internationalisation of SMEs by Bulgarian Export Insurance Agency.	Bulgarian Export Insurance Agency	2021-2027	
4) Facilitating the access to equity financing of SMEs through the Bulgarian Stock Exchange - SME Growth Market (BEAM). Voucher scheme supporting SMEs preparation for listing on BEAM. Provision of funding to SMEs in connection with the costs necessary for their listing on the capital market – advisors fees, investment intermediaries fees, lawyers' fees, costs for preparation of a prospectus, costs for preparation of admission documents, listing fees, information campaigns, etc.	BSMEPA, Bulgarian Stock Exchange	2021-2027	Budget to be discussed with BSE
Measure 3.3 Provision of financial instruments to microenterprises and small enterprises			
1) Provision of flexible credit instruments such as credit lines, overdraft, etc.	BDB Holding Fund	2021-2027	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁶
2) Provision of microfinancing, working capital and investment loans for microenterprises and small enterprises.	BDB Holding Fund	2021-2027	
3) Provision of risk-sharing instruments focused to enhance the economic activity of microenterprises and small enterprises by the Bulgarian Development Bank and the Holding Fund.	BDB Holding Fund	2021-2027	
Measure 3.4 Support for start-up and scale-up enterprises access to finance			
1) Provision of pre-seed and seed financing for start-up enterprises.	BDB Holding Fund	2021-2027	Subject to ex-ante assessment
2) Provision of venture capital	BDB Holding Fund	2021- 2027	
3) Provision of growth capital (mezzanine funding) to scale-up enterprises and fast growing medium-sized enterprises.	BDB Holding Fund	2021-2024	
4) Development of a mechanism to encourage investments by business angels.	MoE	2021-2024	Administrative capacity
5) Provision of industry specific equity financial instruments financing technology	Holding Fund	2021-2027	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁶
and technology related industries SMEs. Creation of industry specific venture capital and private equity funds, covering investments in enterprises in the fields of: artificial intelligence, data and metadata analytics, robotics, microelectronics, high-performance computing and data cloud infrastructure, blockchain, quantum technologies, photonics, industrial biotechnology, biomedicine, nanotechnologies, pharmaceuticals, advanced materials and technologies, etc.	BDB Sofia Tech Park		
Measure 3.5: Support for small projects encouraging interregional collaboration of SMEs			
1) Support for the implementation of interregional small projects.	MRDPW	2021-2027	BGN 2 000 000
2) Support for events, meetings, conferences and workshops between Bulgarian SMEs and international SMEs.	MRDPW	2021-2027	
3) Support for international collaboration of SMEs in the national and regional priority sectors.	MRDPW	2021-2027	

Priority 4: Digitalisation and skills

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁷
Measure 4.1 Promotion of digitalisation of SMEs			
1) Introduction of digital technologies, software, e-commerce solutions, digital applications and implementation of appropriate cybersecurity and data privacy processes.	PCIE BSMEPA	2021- 2027	Budget of the Programme is in process of definition.
2) Support for ICT adoption in SMEs of customer relationship management systems(CRM), enterprise resource planning systems(ERP), information security systems, digitalisation of processes, cognitive technologies and specialised software packages, etc.	PCIE BSMEPA	2021 - 2027	Budget of the Programme is in process of definition.
3) Support for SMEs through the introduction of digital technologies and software products for automation and robotisation of production processes, communication and distribution technologies, etc. in the agriculture sector.			
Measure 4.2 Support for the digital transformation of the industrial SMEs			
1) Support for the digital transformation of SMEs in the industrial sectors of the economy, in order to implement new digital technologies in the production processes and invest in machinery and autonomous technologies.	PCIE BDB	2021 - 2027	Budget of the Programme is in process of definition.

¹⁷ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁷
2) Reduction of energy-intensity of industrial SMEs through implementation of technologies, software solutions, customer relationship management systems, enterprise resource planning systems, etc.			
3) Introduction of modern ICT solutions, cybersecurity systems, data privacy processes, etc.	PCIE BSMEPA	2021 - 2027	Budget of the Programme is in process of definition.
Measure 4.3 Support for acquiring digital skills			
1) Application of regular training needs' assessments for precise identification of target groups for training and their specific needs (including digitalisation-related need of skills).	MLSP OP HRD MES	2021 - 2027	
2) Introduction of digital/online applications and analytical solutions in the process of monitoring and continuous assessment of training needs' demand in all professional fields.	MLSP OP HRD MES	2021 - 2027	
3) Development of training courses for SMEs to enhance formation of skills in demand in the field of digitalisation, ICT, cybersecurity and other fields, which are specific to the SMEs activities.	MLSP OP HRD MES	2021 - 2027	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ¹⁷
Measure 4.4 Encouragement of SMEs to participate in the vocational education and training system (dual education)			
1) Further development and maintenance of the Information Database of the employers, which fulfil the requirements for participation in partnerships for implementation of education through work (dual education) aiming to encourage, promote and support vocational education and training in Bulgaria.	MoE	2021 - 2027	BGN 50 000
2) Support for SMEs to provide vocational education and training. Encourage SMEs that provide dual education in the process of their participation in programs with national and European funding.	MoE MES MLSP PCIE OP HRD	2021 - 2027	Administrative capacity
3) Recognition of active SMEs employers in the field of dual education and training, which ensure apprenticeships for school students and youth by the age of 29 years old. Establishment and presentation of annual awards for employers with achievements in the field of vocational education and training.	MoE MES MLSP	2021 - 2027	BGN 7000
4) Introduction of a branding sign/trade mark of the dual education, outlining all employers, which successfully participate in the system.	MoE MES MLSP	2021 - 2027	Administrative capacity
Measure 4.5 Introduction of standards and procedures to validate acquired skills			
1) Outlining a list of key skills, which are important for the competitiveness,	MLSP	2021 - 2027	

exports and business results of SMEs.	MES NAVET		
2) Development of methodology and testing tools (in cooperation with employers' and branch organisations, SMEs, universities, etc.) for assessment and validation of skills of employees acquired through learning-by-doing, informal training, formal tertiary education, self-learning, etc., which should be used by SMEs employers and employees.	MLSP MES NAVET	2021 - 2027	
3) Development of web-based tools and solutions for assessment of key skills. Development of e-content of online tools to assess the level of key skills and competences.	MLSP MES NAVET	2021 - 2027	
4) Development of standards, procedures and certification system at national level (in cooperation with employers' and branch organisations, SMEs, universities, etc.) to validate key skills and competences.	MLSP MES NAVET	2021 - 2027	
Measure 4.6 Development of e-learning platform and tools, and promotion of continuous online-based training for SMEs			
1) Development and establishment of educational web platform (e-learning platform) and e-content of relevant courses in the fields, which are key to the competitiveness of SMEs in both basic and specific thorough features in their fields.	MLSP MES NAVET	2021 - 2027	
2) Development of training courses programmes (concerning training modules and courses, prerequisites, time schedule, methods of teaching, certification options, etc.), and conduction of promotion campaigns.	MLSP MES NAVET OP ESSG	2021 - 2027	

3) Provision of trainings: continuous online trainings on basic skills and regular teacher-assisted online trainings on more advanced skills.	MLSP MES NAVET	2021 - 2027	
---	----------------------	-------------	--

Priority 5: Better regulation and business environment

Measures and actions	Actors	Timeline / Implementat ion period	Resources needed / sources of financing ¹⁸
Measure 5.1 Development of digital services for SMEs			
1) Introduction of a wider package of digital services for enterprises, especially at local level in municipalities, National Revenue agency, National Social Security Institute (NSSI), etc.	Council of Ministers SEGA Municipalities, NRA NSSI	2021-2027	
2) Provision of online payment options for enterprises' transfers to public authorities.	Council of Ministers SEGA NRA NSSI Municipalities	2021-2027	
3) Development of ICT tools for more efficient communication and collaboration between different public administrations (G2G) to support the full implementation of the “digital by default” and “once-only” principle.	Council of Ministers SEGA Council of	2021-2023	

¹⁸ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

	Ministers		
4) Development of a Single Entry Point System to ensure compatibility and interaction between Financial Security Commission, Central Depository and Bulgarian Stock Exchange systems.	Bulgarian Stock Exchange	2021-2027	
Measure 5.2 Support for better connectivity of SMEs: establishment of SMEs' network and improved consultation process			
1) Development and promotion of a single point of information about forthcoming and recent legislation changes, requirements and procedures, etc. with SMEs representatives.	MoE BSMEPA	2021-2027	
2) Promotion of platforms for cooperation between SMEs on national and international level - the Enterprise Europe Network, the Single Digital Gateway, etc.	MoE	2021-2027	Administrative capacity
3) Update of the Business Guide for SMEs with more detailed information for: Starting a business, Business operations, Human Resources, Accounting and reporting, Financing, Commercial activities, Protection of personal data, Procurement, R&D, Construction, Change in the structure of the business, Termination of business activity, Cross border trade and operations, etc.	MoE	2021-2027	BGN 350 000
Measure 5.3 Promotion of the role of the national SME Envoy			
1) Facilitate access to information of SMEs about programs and initiatives, which have an impact on SMEs.	MoE	2021-2027	Administrative capacity
2) Improvement of the dialogue with SMEs regarding regulations. Consultation procedures, which include more actively SMEs representatives.	MoE	2021-2027	Administrative capacity

3) Strengthening the public dialogue between SME organisations and public institutions, whose actions could have an impact on SMEs. Organisation of an "SME network" inside the public administration, composed of the SME contact points of all ministries with relevant policies in order to increase awareness about SME issues and regularly discuss initiatives focused on SMEs.	MoE	2021-2027	Administrative capacity
4) Identification and encouragement of best practises in the policy for SMEs and in the field of Entrepreneurship implemented through different initiatives and programs.	MoE	2021-2027	Administrative capacity
5) Conduct reports on different topics concerning SMEs at European, national and regional level.	MoE	2021-2027	Administrative capacity
Measure 5.4 Improvement of the business environment for SMEs			
1) Application of Regulatory Impact Assessment. Development of capacity of central administration for Regulatory Impact Assessment and assessment of cost effects of proposed legislation and regulations on costs for SMEs. Identification of the existing legislation, which is particularly burdensome for SMEs. ¹⁹ .	Council of Ministers MoE	2021-2027	Administrative capacity
2) Reducing administrative procedures, time for implementation and their costs regarding: dealing with construction permits; registering property especially at municipality level; enforcing contracts; connecting to the electricity supply network.	Council of Ministers MF MoE	2021-2027	Administrative capacity
Measure 5.5 Easing the participation of SMEs in public procurement			
1) Raising awareness among SMEs on the status of public procurement market in Bulgaria. Implementation of an analysis and data on public procurement rules and	The Public	2021-2027	

¹⁹ Regulation on Scope and Methodology for Implementation of Impact Assessment. Bulgaria. Council of Ministers Decision No. 301/14.11.2016

procedures including number of public procurements, number of contracting authorities, number of contractors, share of procurement with European financing, number of public procurements in accordance with the object - delivery of goods, provision of services, construction, number of contracts and value, share of procedures appealed and irregularities observed.	Procurement Agency of Council Ministers		
2) Creation of sustainable administrative capacity and further development of skills and competences, as well as knowledge and understanding within the Contracting authorities in order to achieve efficient and effective specification of tender documentation, provide for professional evaluation of tender bids, and thus allow for optimal selection of SMEs suppliers.	The Public Procurement Agency	2021-2027	
3) Development of capacity among SMEs for applying in public procurement procedures through web-based trainings with video content.	The Public Procurement Agency	2021-2027	
4) Continuing increase of publicity and transparency in public procurement, integrating the internet websites with relevant information at local and central level in one single web platform, achieving compliance with the standards adopted in the case of reporting project performance and results under the European Funds' programmes.	The Public Procurement Agency	2021-2027	
Measure 5.6 Second chance, late payment and easing the transfer of business			
1) Amendments in the legal framework in order to reduce time to close a business, reduce cost to close a business and strengthen the insolvency framework.	Ministry of Justice MoE	2021-2027	Administrative capacity
2) Initiate public discussions in order to change public perceptions on fear of failure and	MoE	2021-2027	Administrative capacity

the degree of support for a second chance.	BSMEPA		
3) Amendments in legislation to prevent delays in government-to-business and business-to-business payments.	Ministry of Justice MoE	2021-2027	Administrative capacity
4) Preventing SMEs from late payment difficulties by encouraging alternative financial sources - factoring, forfeiting etc.	BDB	2021-2027	
5) Encourage SME business inheritance.	Ministry of Justice MoE	2021-2027	Administrative capacity

Priority 6: Environment

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
Measure 6.1 Support to the improvement of energy and resource efficiency of SMEs and increased use of renewable energy sources			
1) Support for enhanced use of energy efficiency in SMEs. Strengthening the network of energy auditors.	Sustainable Energy Development Agency (SEDA) PCIE Ministry of Energy MoEW Municipalities	2021-2027	
2) Support for resource/material efficiency and a general shift to circularity within SMEs. Improving the efficient use of water as a resource in SMEs and encouraging its reuse. Creation of a network of resource auditors.	Ministry of Energy SEDA MoEW PCIE Municipalities	2021-2027	

²⁰ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
3) Support for the enhanced use of different types of renewable energy by SMEs (photovoltaic, wind, hydro, biomass and cogeneration systems, etc.).	Ministry of Energy PCIE SEDA MoEW Municipalities	2021-2027	Budget of the PCIE is in process of definition.
Measure 6.2 Promotion and adoption of environmental management certification by SMEs			
1) Support for SMEs to fulfil the process of certification of EU Eco-Management and Audit Scheme (EMAS), ISO 14001 (environmental management), ISO 5001 (energy management) and ISO 9001 on quality management certification.	MoEW PCIE	2021-2027	Budget of the PCIE is in process of definition.
2) Focus on and support for several highly visible lighthouse EMAS projects in key sectors for the Bulgarian economy.	MoEW MoE PCIE	2021-2027	
3) Promote sectoral Best Environment Management Practices (BEMPs), developed by the Joint Research Centre (JRC), as the main documents of the EC about greening a certain sector.	MoEW MoE	2021-2027	
4) Promote a culture of environmental responsibility among SMEs through capacity building and through the recognition of enterprises, which are environmentally responsible.	MoEW MoE	2021-2027	Administrative capacity

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
Measure 6.3 Support the participation of SMEs in strategic value chains of the European Union			
<p>1) Support SMEs to better integrate into the European value chains in the context of circular economy. Implementation of targeted actions towards increasing the circularity of SMEs or value chains by adopting circular business models such as:</p> <ul style="list-style-type: none"> a. substitution of raw materials with secondary ones; b. shift to product-service systems; c. functional economy (selling the use, not the product) d. undertaking industrial symbiosis synergies; e. substituting products or packaging with bio-based ones; f. adopting smart/circular design for better reuse, repair ability, material efficiency, increasing the lifetime of the product; g. manufacturing initiatives; etc. 	<p>MoE PCIE Ministry of Energy Ministry of Regional Development and Public Works MAFF MoEW</p>	<p>2021-2027</p>	<p>Administrative capacity</p>
<p>2) Support for SMEs to reduce and substitute the use of plastics in their production processes (including plastic packaging) in line with the European Strategy for Plastics in a Circular Economy. Support SMEs producing single-use plastics to adapt to producing bio-based products (to ensure compliance with the Single Use Plastics Directive 2019/904).</p>	<p>MoE PCIE MoEW Municipalities</p>	<p>2021-2027</p>	<p>Administrative capacity</p>
<p>3) Support SMEs in the sector of the bioeconomy (including blue bioeconomy) to access markets and develop bio-based products.</p>	<p>MAFF Ministry of Energy</p>	<p>2021-2027</p>	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
4) Modernisation of the regulatory framework in the field of modern biotechnology and genetic resources.	MoEW		
Measure 6.4 Improvement of capacity of SMEs with regards to the transition to circular and low-carbon economy			
1. Launch a series of capacity building programmes for SMEs across the country on: <ul style="list-style-type: none"> - circular economy concepts; - new circular business models at regional and local level; and opportunities for SMEs in the process of transition to the circular economy - making different value chains more circular (with the support of sectoral associations and business intermediaries) 	BSMEPA MRDPW MAFF MoEW Municipalities	2021-2027	
2. Support the effectiveness and efficiency of Extended Producer Responsibility (EPR) schemes and extend them to sectors generating high quantities of waste.	MRDPW MoEW	2021-2027	
3. Support SMEs and start-ups to adopt concrete circular business models such as reuse, repair, reverse logistics, remanufacturing, industrial symbiosis, etc. Support SMEs in the shift from product sale to service provision.	PCIE MoEW Municipalities	2021-2027	
4. Support SMEs to increase the share of recycled waste on a sectoral basis with a particular focus on those sectors generating significant amounts of waste (e.g.	MRDPW PCIE	2021-2027	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
construction and demolition, building renovation, etc.). Launch several lighthouse projects in individual sectors.	MoEW Municipalities		
5. Support SMEs to improve sustainability of their raw materials and increase the share of secondary raw materials in production processes. Support SMEs for efficient use of water as a resource in production processes, including the promotion of water reuse and the introduction of closed cycles in enterprises in order to save water.	PCIE MoEW	2021-2027	
6. Launch of a pilot project on industrial symbiosis as one of the circular business models.	MoE National Company Industrial Zones MAFF MoEW Municipalities	2021-2027	Administrative capacity
Measure 6.5 Promotion of green products through EU ecolabel, Environmental Technology Verification system and circular design			
1. Support SMEs to certify products under the EU ecolabel.	PCIE MoEW Municipalities	2021-2027	

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²⁰
2. Support SMEs to shift to eco-design and circular design.	MRDPW PCIE MoEW Municipalities	2021-2027	
3. Support SMEs to substitute fossil-based products with alternative and bio-based products.	Ministry of Energy MAFF MoEW	2021-2027	

COVID-19 SME policy response

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²¹
Measure 1 Ensuring solvency support to SMEs and incentivising private investments			
1) Provision of grants and financial instruments to SMEs for microenterprises and small enterprises (including self-employed).	PCIE BDB Holding Fund	2021 – 2024	Budget of the PCIE is in process of definition.
2) Provision of financial instruments and other support to SMEs to alleviate the negative effects from late payment.	BDB BAEZ	2021 – 2024	
3) Encourage the participation of SMEs and start-ups to initiate production of new products and services, as well as to adapt dual-use products in response to market demand in times of crisis. Support for SMEs to provide innovative production in the fields of pharmacy, health prevention, disease treatment and the use of new technologies as a rapid response to health crises.			
Measure 2 Support for adoption of digital technologies, facilitating “work from distance” in SMEs			
1) Provision of grants/vouchers to SMEs for ICT consultancy services (IT development, IT support, etc.) to support SMEs in restructuring and automation	BSMEPA Operational	2021 – 2024	Budget of the Programmes is in process

²¹ Financial resources for the 7-year period needed for the implementation of the measure - European and national funding

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²¹
of workflows as well as in digitalisation of work.	programmes		of definition.
2) Provision of grants/vouchers to SMEs for the necessary ICT software, equipment and devices. Enhance cyber security tools and solutions.	BSMEPA Operational programmes	2021 – 2024	Budget of the Programmes is in process of definition.
Measure 3 Support for adoption of solutions aimed at health promotion, health protection and disease prevention			
1) Provision of grants for adoption of new solutions aimed at health promotion, health protection and disease prevention to be used by the economic activities, which require direct contact with clients in the following sectors: Tourism: Transportation and storage, Wholesale and retail trade; Repair of motor vehicles and motorcycles, Accommodation and food service activities; Human health and social work activities, Education, Travel agency, Tour operator and other reservation service and related activities; etc.).	Operational programmes	2021 – 2024	Budget of the Programmes is in process of definition.
Measure 4 Support for digitalisation of services provided by arts, entertainment and creative industries			
1) Provision of grants/voucher for adoption of digital technologies (professional equipment, renovation of facilities, acquisition of specialised software products) allowing for online distribution and e-commerce of the products and services of the Arts, entertainment and creative industries.	BDB BSMEPA PCIE	2021 – 2024	Budget of the PCIE is in process of definition.

Measures and actions	Actors	Timeline / Implementation period	Resources needed / sources of financing ²¹
2) Provision of trainings for the human resources in the Arts, entertainment and creative industries to enhance their digital skills.	MLSP BSMEPA	2021 – 2024	
Measure 5 Support for strengthening the SMEs in the Human health and social work activities			
1) Provision of grants and financial instruments for modernisation and digitalisation of the SMEs and start-up enterprises in the Human health and social work activities – purchase of professional equipment, renovation of facilities, acquisition of specialised software products, development and adoption of ICT applications, etc.	BDB PCIE	2021 – 2024	
2) Provision of trainings for the human resources in the Human health and social work activities to enhance their digital skills.	MLSP	2021 – 2024	

Monitoring, evaluation and governance system for evidence-based policymaking

Governance and control

Actors, roles, responsibilities, steering processes

Stakeholder involvement in the SMEs Strategy preparation process

The key stakeholders of the National Strategy for SMEs 2021-2027 are small and medium-sized enterprises, representatives of the national employers organisations, national, regional and local authorities, organisations and representatives of structures for support of SMEs (incubators, business clusters and other business organisations), as well as other stakeholders for which this Strategy is important.

In the preparation stage of this strategy, stakeholders' participation was ensured through various channels in terms of SMEs sector development and elaboration of strategic priorities and actions. In the first place, regional workshops were organised in each of the NUTS-2 regions. Another channel for direct feedback from SMEs was a national representative survey conducted among a sample of SMEs. In addition, a direct communication with SMEs representatives and entrepreneurs was maintained through a series of in-depth interviews at regional level. Finally, representatives from all non-business stakeholders were engaged in another series of in-depth interviews with a focus on successful implementation issues and lessons learnt from previous strategic documents.

All collected comments and suggestions were considered in In-depth analysis of the SMEs in Bulgaria and are treated as key sources of information for the development of the National strategy for SMEs 2021-2027. Furthermore, consultations with relevant stakeholders at national and regional level were also a complementary tool for validation of information obtained from other sources. Subsequently, regional and national stakeholders provided their feedback on the implementation of the Strategy, and will further validate strategic priorities and sub-priorities, policy measures and identified target groups of potential beneficiaries of EU funds and national budget.

The Ministry of Economy as a key policy institution together with the Small and Medium-sized Enterprises Promotion Agency (BSMEPA) were actively involved in the process as they took part in all stages of communication and consultations with the interested parties.

Governance, coordination system and mechanisms for the implementation of the strategy

Governance and coordination system

Main coordination unit of the strategy will be the Economic Policy Directorate of the Ministry of Economy. A key role of this unit is the coordination of the strategy implementation, which includes the following activities:

- Coordination of the activities of the Advisory Board for the promotion of SMEs;
- Preparation of annual programs and annual reports for implementation of the strategy;
- Preparation of proposals for updating the strategy;
- Organisation, coordination and participation in the policy implementation regarding better regulation of business activity and achievement of higher level of competitiveness of the Bulgarian economy;
- Preparation of concrete proposals for improving business environment and eliminating and/or alleviating existing regulatory regimes;
- Preparation of sectoral analysis to support decision-making process in formulating adequate policy measures aimed to stimulate development of SMEs, economic growth and improvement of business conditions;
- Participation in the development, organisation, coordination and implementation of SME policy, including policy measures promoting entrepreneurship, and clusters formation;
- Elaboration of proposals and implementation of projects and measures aimed at the implementation of the SBA principles in Bulgaria;
- Organisation and provision of directions for activities of Working Group No. 15 "Industrial Policy and Small and Medium-Sized Enterprises" under Decree No. 85 of the Council of Ministers of 2007 on Coordination on European Union Affairs with the Council on European Affairs;
- Taking responsibilities for the implementation of Bulgaria's innovation policy;
- Maintenance of liaisons with ministries, agencies and non-governmental organisations regarding activities related to development a low-carbon and resource-efficient economy, protection of environment and limitation of climate change according to its functional competence.

Mechanisms for the implementation of the strategy

The Advisory Board for the promotion of small and medium-sized enterprises will continue its activities in achieving strategic objectives within the implementation of the National strategy for SMEs 2021-2027. In this regard, the Advisory Board should:

- Provide feedback on state of the art and outlined policy for promotion of SME development and make proposals for priority areas of interventions;
- Provide feedback on SMEs sector analysis (including its sectoral and regional dimensions) and make

- suggestions for subsequent updates and/or upgrade of the analysis;
- Prepare proposals for improvement of regulatory framework regarding small and medium-sized enterprises;
 - Provide easy public access to information on legislative initiatives, as well as on potential participation of entrepreneurs, business associations, etc. in discussions of sector regulations;
 - Provide feedback on policy outcomes and results, as well as make recommendations on the implementation of the strategy and the annual programs for its implementation.

The above-mentioned coordination unit and Advisory board should ensure continuous dialogue and cooperation with all stakeholders.

In order to improve coordination at the operational level, a Working Group on the SME Strategy (established by order of the Minister of Economy) is established, including representatives of the following institutions and units: MoE, BSMEPA, BDB, national representative employers organizations and etc. This working group will work annually, report in a timely manner on the progress of the implementation of the Strategy and propose follow-up actions to be presented to the Advisory Board.

Additional mechanisms for coordination and complementarity of various measures undertaken by different institutions during adoption and implementation of the strategy should be provided through working groups, expert networks and public discussions on formulation and implementation of individual priorities, measures and operations.

The implementation of the strategy should be based on the partnership principle and involve representatives of socio-economic partners and stakeholders in each of the stages, with specific focus and representation of SMEs. In the strategic planning process, this partnership principle was and will continue to be ensured through active involvement of all stakeholders (social partners, academic institutions, national, regional and local authorities, NGOs) in the initiation, review and approval of each priority and measure. In this respect, the NGOs representatives should be selected based on a mechanism, which guarantees implementation of the principles of publicity and transparency, equality and non-discrimination.

E-government, interaction between government institutions (G2G) and available digital tools

The role of e-government in the successful implementation of government strategies is crucial, particularly the digital interaction between the government and its own administrative structures (G2G). The introduction and development of G2G and the adoption of interoperable management information systems in the Strategy governance administrations would lead to better results in the context of strategic management. Well-developed information systems contribute to clear differentiation of functions and responsibilities of the different administrative units, data sources and progress on indicators, and thus could further provide quick linkages

between information data serving the policymaking process.

A useful digital tool should be disposable at the Ministry of Economy, so that the executive level and the middle management are facilitated in the process of compiling all relevant information regarding the priority measures and their implementation. In addition, such a tool will be compatible with potential management information system at higher administrative level for the governance of the national strategies for development.

Therefore, the current SMEs Strategy envisages development and implementation of three types of digital solutions in this respect, namely:

- Development of a digital tool for the purposes of the governance of the SMEs Strategy and the solely usage of the executive level, middle and senior management of the Ministry of Economy, responsible for the Strategy implementation, monitoring and control²². This tool could provide information input and generating reports and scoreboards, as well as allow users to retrieve data.
- Design of relevant data structures and inclusion of all relevant SMEs Strategy indicators in the established information systems: the [National Strategies section on the NSI website](#) and the information on [EU programmes indicators](#).

Inclusion of stakeholders, implementation and reporting

In this section, the institutional framework for the implementation of the measures is elaborated, including specification of the responsible structures, the links between them, as well as the coordination between the stakeholders and the measures that each of them should take.

Implementation and coordination of the strategy

After the adoption of the National Strategy for SMEs 2021-2027 by the Council of Ministers, Economic policy Directorate of the Ministry of Economy will prepare annual plans and progress reports on the strategy implementation based on submitted official information by all relevant and competent authorities. These plans and progress reports will be submitted for consideration and adoption by the Minister of Economy. The first annual Plan for implementation of the National strategy for SMEs 2021-2027 will be for 2021.

Communication mechanism

Key factor of success of this strategic document is its promotion among all key stakeholders, especially among SMEs, which would mostly benefit from its implementation. Effective activities in the communication process include identification and implementation of measures aimed at raising the awareness of all target groups for

²² Currently only spreadsheets are being used.

the proposed relevant policies and their implementation instruments.

Although such communication and consultation mechanisms are applied in the strategic development process, in order to achieve strategic goals their usage should continue during the strategy implementation as well. The aim of this ongoing communication is to provide reliable, timely, specific and quality information to wide range of stakeholders about funding opportunities and measures, which could be beneficial to SMEs.

In order to continue the policy for transparency and public discussions established and maintained during the first two programming periods, implementation of the strategy should be accompanied by periodic consultative meetings and intensive communication with all stakeholders. Furthermore, communication measures should continue the practice of disclosing for public discussion *Guidelines for application* before management authorities to approve them. Thus, potential beneficiaries could contribute for a subsequent successful implementation of measures through providing their feedback at very early stage.

Regular reports on the implementation of the strategy should also be published on the website of the Ministry of Economy and should be discussed with the relevant stakeholders.

Monitoring, evaluation of the Strategy and net impact assessment of its implementation

Mechanism for monitoring of the Strategy

The responsible administrative structure for implementation, coordination, monitoring and evaluation of the Strategy will be the Economic Policy Directorate of the Ministry of Economy.

The implementation of the National strategy for SMEs 2021-2027 will be based on concerted efforts of all stakeholders. Therefore, establishment of an Advisory Board for SMEs promotion will ensure maintenance of a permanent working format for interdepartmental interactions on issues related to SMEs thus ensuring a successful implementation of the Strategy. The Advisory Board for SMEs promotion will include a wide range of representatives from institutions responsible for implementation of economic and SMEs policies, including representatives of ministries, state agencies, academia and higher education institutions, representatives of municipalities (e.g. the NAMRB), social partners, SMEs associations or other business organisations representatives, etc. The composition of the Advisory Board will be updated annually, with names of nominated main member and substitute member for each institution. The Chair of the Advisory Board (the Minister of Economy) will approve the Advisory Board's annual work schedule. The tasks of the Advisory Board will also include collecting information on competence of responsible ministries and agencies in connection with the

development of annual plans and progress reports on the implementation of the National strategy for SMEs 2021-2027.

Monitoring, evaluation and updating of the Strategy

Timely monitoring and evaluation activities will ensure that the implementation of the Strategy follows the set objectives. In addition, monitoring and evaluation results could also indicate that certain measures need to be updated / reconsidered, so that flexibility and resilience of policies are achieved in respect with external shocks and changes (such as changes in macroeconomic framework, in legislation at national and EU level, in socio-economic environment, etc.) and with changes caused by internal factors.

Potential updates of the Strategy will be included on the agenda of the Advisory Board for SMEs promotion. The implementation of the National strategy for SMEs 2021-2027 will be evaluated every three years during the planned period (2021 – 2027). The Economic Policy Directorate of the Ministry of Economy will coordinate the evaluation process and will encourage stakeholders to actively participate in it. To ensure objectivity, the Advisory Board shall assign the evaluation to an independent external team of experts.

A final progress report on the implementation of the Strategy will be prepared by the Economic Policy Directorate of the Ministry of Economy at the end of the planning period in order to consider achievement of objectives set. The final progress report should be disseminated appropriately, so that all stakeholders and the public are involved in discussions of future policy directions, priorities and objectives.

Evaluation plan of the Strategy

The evaluation plan is a core governance activity and an integral part of the mechanism for monitoring, control and progress reporting of the National Strategy for SMEs implementation. The evaluation plan sets out the framework, scope and deadlines for carrying out an interim and ex-post evaluation. As the strategy envisages a considerable European funding as well as financing through the national budget, the evaluation plan will be aligned to the interim evaluations expected to be conducted under the relevant operational programmes in the next programming period.

The institutions responsible for carrying out the evaluation of the National Strategy for SMEs are as follows:

- Ministry of Economy:
 - For the overall implementation progress: the Economic Policy Directorate;
 - For the EU funded measures: the European Funds for Competitiveness Directorate;
- All other institutional stakeholders involved in the SMEs Strategy implementation shall be responsible for providing complete and timely information on the implementation of their actions and measures, so that the main responsible directorates would be able to subsequently conduct the relevant evaluation

and net impact assessment.

Two interim evaluations for the implementation of the strategy are envisaged as well as one ex-post evaluation:

- Interim evaluations: in 2024 (as of the end of 2023) and in 2026 (as of the end of 2025);
- Ex-post evaluation: in 2028 (as of the end of 2027).

The interim and ex-post evaluations for the implementation will be conducted by an independent external team of experts in joint cooperation with the Economic Policy Directorate and/or the European Funds for Competitiveness Directorate.

The evaluations will take into account:

- 1) Assessment of the implementation progress of each priority measure and action.
- 2) Assessment of the contribution on the reduction of the regional and sectoral disparities as well as the achievement of the horizontal objectives.
- 3) Assessment of the overall impact of the Strategy policies implementation on the SMEs and the Bulgarian economy.
- 4) Assessment of the net impact of each individual priority measure and evaluation of results achieved.
- 5) Recommendations for enhancement of the policymaking process, based on the evidence (conclusions drawn in the evaluations).

In order to optimise the cost of the interim assessments, the Economic Policy Directorate and the European Funds for Competitiveness Directorate shall identify and implement procedural solutions. Such solutions are expected to be aim at the maximum use of ICT and a management information system, through which the implementation of the strategy will be managed and monitored. Thus, the successful implementation of the National Strategy for SMEs will be associated with a further use of e-government in this particular area of policymaking and deployment of ICT in the governance of the strategy.

The assessment of progress will be based on a three-year action plan and annual updates on each of the priorities set out in the National Strategy for SMEs. In addition, annual progress reports on the implementation shall be underlying the update of each next annual plan.

Net impact assessment of the implementation of the Strategy

Evaluation and net impact assessment of the Strategy are the fundamentals of the evidence-based policymaking. They will provide opportunities for the estimation of these changes in the competitiveness and business performance of the SMEs in Bulgaria, which could be attributed to the priority measures implemented within the National Strategy for SMEs. The availability of such evidence contributes to the efficient and effective policymaking process. Thus, the net impact assessment allows to focus on results, and the ongoing improvement of the quality, efficiency, and effectiveness of interventions set in the Strategy.

Impact evaluations are challenging and require application of the standard European practices and methodologies based on counterfactual analysis and causal relationship between the conducted policies and their impact on the enterprises. Furthermore, they are time-consuming and often require conduction of additional surveys among SMEs. Therefore, the evidence-based policymaking in the implementation of the Strategy is envisaged through the inclusion of net impact assessment in the interim and the ex-post evaluations.

Update of measures and actions

Based on the monitoring and evaluation reports, the Advisory Board and the constant Working Group on the Strategy will be responsible for verifying the appropriateness of the envisaged measures and actions and, where necessary, updating (changing and / or refining) the scope and objectives of the policies. The process of updating measures and actions will be accomplished in close cooperation and agreement between the implementing bodies. All participating parties will agree on potential updates to the Strategy based on the facts outlined in the impact assessment.

Evidence-based policymaking

Nowadays, the role of an evidence-based approach to public policy is well-recognised in the EU and worldwide, and there is a pending need to change the established strategic management approach. As opposed to conventional opinion-based policy, the evidence-based policy requires the availability of relevant data at all stages in the policymaking process. The key prerequisites for the formulation and implementation of evidence-based policy are:

- The data is trustworthy, reliable, and relevant. The current strategy takes into account all official data sources and explicitly addresses the information gaps, so that the policymaking process is well assured.
- The quantitative analysis through which the evidence is derived has to be of high quality and conducted by professionals (statisticians and econometricians, data scientists, data analysts, etc.). The current strategy envisages independent evaluations, which will guarantee for the usage of adequate relevant expertise.
- No political interference with both the data and the empirical findings is allowed. The current strategy lays down a policymaking framework for SMEs development, which will prevent subjective and opinionated interference regarding policy formulation.

The first step undertaken in solving this issue was to set the target indicators - they are well specified and constructed, and their values are computed and/or assessed wherever possible (in the cases in which no baseline values are available, a relevant survey/research is envisaged so that such are provided in the short run). The next step in this respect will be to carry out regular net impact assessments based on counterfactual analysis. All those actions will considerably improve the policymaking process and help it in achieving its strategic objectives through ongoing revisions, further specifications of target SMEs, and policy adjustments.

Policymaking capacity building

All policymakers involved in strategic management today need to face the challenge of considering and analysing large amounts of information in order to formulate evidence-based policies. In this respect, the new technologies (such as big data) and the increasingly important policy-relevant research demand new skills for effective and timely policymaking. Senior management and experts involved in strategic planning and implementation need to develop the right skills to obtain, understand and use evidence. Those include skills to assess the reliability of data, its relevance for specific policy questions, and skills to consider relevant political constraints.

Therefore, trainings and/or formal education are envisaged to considerably improve the future policymaking process by helping form and/or further advance the following policymaking skills:

- Critical thinking and skills to formulate relevant to the SMEs sector questions; these require the development and/or update of competences in economics, finance, business administration and entrepreneurship, law, etc.
- Data literacy and skills to assess evidence; these require the development and/or update of skills for data analysis, quantitative modelling, etc.
- Skills to incorporate evidence in policymaking; these require the formation of modern policymaking-related skills to detect possible uses of available evidence (policy intelligence), skills to manage challenges for evidence incorporation into the public policy process, etc.

Also, trainings on soft skills formation are envisaged, especially for the higher political level and senior management (e.g. in the field of conflict management, change management, successful negotiations, effective communication, etc.).

Annex B

Indicators for performance and results

The indicators for performance and result are elaborated in the tables below. Baseline, interim and target values are specified wherever possible based on preliminary calculations, projections, expert judgement, and historical developments. Some of the baseline values are not available yet because they require additional surveys and measurements, which will be conducted at the beginning of the implementation period of the Strategy. A major concern about setting the targets was to provide realistic, yet moderately ambitious, quantitative objectives with the available limited evidence. The envisaged monitoring and evaluation plan will allow for further revisions of these targets in due course on the basis of the net impact assessment.

Further definitions of all indicators, including specification of unit of measurement, source, frequency, and method used for setting the target values are presented in [Annex C](#).

Priority 1: Entrepreneurship

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{23, 24}
Measure 1.1 Fostering the entrepreneurial ecosystem		
<p>1) Support for accelerators and business incubators possibly operated by internationally recognised networks of accelerators and incubators, which aim is to transfer best practices from other countries. Support for organisations of SME support organisations such as nationally represented labour organisations, branch chambers, etc.</p>	<p>Number of supported incubators and accelerators</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Maturity of the entrepreneurial ecosystem</p>
<p>2) Support for events, conferences, workshops, business meetings between start-ups and investors, and other initiatives to encourage entrepreneurship and networking at regional and local level.</p>	<p>Number of supported initiatives to boost entrepreneurship and networking at regional and local level.</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>
<p>3) Support for active associations to promote SMEs such as business clusters, cooperatives, production associations and others in national and regional priority sectors.</p>	<p>Elaborated analytical reports about the efficient work of industrial clusters</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 1</p>	

²³ And relevant EU averages/ convergence targets

²⁴ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{23, 24}
	Target 2027 value: 2	
Measure 1.2 Promotion of entrepreneurship education and entrepreneurial transformation of Bulgarian higher education institutions		
<p>1) Support for the establishment of entrepreneurship support structures within Bulgarian higher education institutions such as incubators, accelerators, entrepreneurship centres, etc. by promoting public-private partnerships.</p>	<p>Number of supported structures within Bulgarian higher education institutions</p> <p>Baseline (2020) value: <i>to be confirmed with MES</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Entrepreneurial intentions</p> <p>Baseline (2020) value: N.A.</p> <p>Target 2024 value: 7%</p> <p>Target 2027 value: 14%</p> <p>Self-perceived capabilities for entrepreneurship</p>
<p>2) Support for the provision of entrepreneurship education courses in the curricula in natural sciences, technology, engineering and mathematics (STEM), arts and other fields of study at secondary and university educational level.</p>	<p>Number of supported Bulgarian higher education institutions</p> <p>Baseline (2020) value: <i>to be confirmed with MES</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Baseline (2020) value: N.A.</p> <p>Target 2024 value: 43%</p> <p>Target 2027 value: 50%</p>

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value^{23, 24}
3) Support for training enterprises of students at schools and universities, who learn in practice how to develop their ideas into business. Development of current methodologies for conducting entrepreneurship training courses through practical classes.	Number of supported students Baseline (2020) value: <i>to be confirmed with MES</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
Measure 1.3 Support for start-up enterprises		
1) Review of the regulations for starting a business.	Elaborated analytical reports on the existing administrative barriers to starting a business Baseline (2020) value: 0 Target 2024 value: 1 Target 2027 value: 2	Share of start-ups Baseline (2020) value: N.A. Target 2024 value: 15% Target 2027 value: 17%
2) Review of the regulatory complexity and restrictive licensing requirements in order to facilitate entry by new enterprises and increase of competition.	Elaborated analytical reports about the regulatory complexity and restrictive licensing requirements in order to facilitate entry by new enterprises and increase competition. Baseline (2020) value: 0 Target 2024 value: 1 Target 2027 value: 2	Share of high growth SME Baseline (2020) value: N.A. Target 2024 value: 0.5% Target 2027 value: 1%
3) Introduction of measures for start-up enterprises and SMEs	Number of supported SMEs seeking growth in international	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value^{23, 24}
seeking growth in international markets - provision of information about markets, consultancy, marketing and mentoring services related to internationalisation of SMEs.	markets Baseline (2020) value: <i>to be confirmed with the BSMEPA</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
4) Development of new products and testing prototypes in laboratories.	Number of supported start-up enterprises testing new products and prototypes Baseline (2020) value: <i>to be confirmed with the BSMEPA</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
5) Provision of technical due diligence services to enable more precise valuations of high-tech start-ups and prepare their investment readiness.	Number of provided tech due diligence services Baseline (2020) value: <i>to be confirmed with the MoE</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
6) Provision of technical assistance for intellectual property registration including the preparatory process for the application procedure, and the application procedure for registering	Number of SMEs supported for intellectual property registration	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value^{23, 24}
intellectual property – consultations with specialists, legal help, etc.	<p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
7) Improving the conditions for doing business for start-ups. Improving regulations related to occupational medicine. Facilitate the liquidation procedures of an enterprise.	<p>Number of supported start-ups</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
Measure 1.4 Promotion of key types of entrepreneurship		
1) Support the inheritance of family businesses by provision of seminars, trainings and consulting services related to family business inheritance. Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) to ensure the access to finance of family businesses.	<p>Number of supported family businesses</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Total early stage entrepreneurial activity</p> <p>Baseline (2020) value: N/A</p> <p>Target 2024 value: 7%</p> <p>Target 2027 value: 8%</p>
2) Support for self-employed and SMEs in key types of entrepreneurship (women, youth, seniors, unemployed, immigrants) to use of training, legal, consulting and mentoring	<p>Number self-employed and start-up entrepreneurs in social inclusion target group (women, youth, seniors, unemployed, immigrants) who received training, legal, consulting and</p>	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value^{23, 24}
services.	mentoring services Baseline (2020) value: <i>to be confirmed with the MoE</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
3) Financial instruments (e.g. loan guarantee schemes, microcredits, hybrid instruments) supplemented with mentoring, coaching and counselling services to meet different needs of social entrepreneurs.	Number of supported social entrepreneurs Baseline (2020) value: <i>to be confirmed with the MoE</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
4) Promote the use of the EC/OECD Better Entrepreneurship Policy Tool by local and regional authorities.	Number of training and promotion activities introducing EC/OECD Better Entrepreneurship Policy Tool Baseline (2020) value: <i>to be confirmed with the MoE</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
Measure 1.5 Support for craftsmanship, rural entrepreneurship and creative industries including at regional level		
1) Provision of seminars, trainings and consulting services for	Number of entrepreneurs in rural areas who participated in	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{23, 24}
agricultural and forestry owners/entrepreneurs in rural areas.	<p>training and consulting services</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
2) Financial instruments and grants to meet different needs of entrepreneurs and newly established enterprises in rural areas at local level.	<p>Number of entrepreneurs in rural areas who received financial support</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
3) Projects and measures encouraging craftsmanship and creative industries.	<p>Number of supported craftsmen and entrepreneurs in the creative industries</p> <p>Baseline (2020) value: <i>to be confirmed with the MoE</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	

Priority 2: Access to markets

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25, 26}
Measure 2.1 Promotion of internationalisation of SMEs		
<p>1) Further development and maintenance of the Export Hub Bulgaria, in particular its digital platform to provide information on: 1) support opportunities, public and other institutions; 2) up-to-date market research on marketing surveys on foreign markets; 3) international and regional trade fair and exhibitions; 4) Application of combined support measures in the promotion of internationalisation, which allow for simultaneous support to relevant SMEs for technological development, digitalisation, development of new products, and skills formation.</p>	<p>Total number of visits and number of unique website visits at the digital platform</p> <p>Baseline (2020) value: 0 Target 2024 value: 20 000 Target 2027 value: 50 000</p> <p>Number of supported SMEs with combined measures</p> <p>Baseline (2020) value: <i>to be confirmed with the BSMEPA</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Share of SMEs promoting their produce (goods and services) internationally</p> <p>Baseline (2020) value: 19.8% Target 2024 value: 22% Target 2027 value: 25%</p>
<p>2) Preparation and conduction of information campaigns dedicated to internationalisation of SMEs.</p>	<p>Number of campaigns and SMEs participating in the information campaigns</p> <p>Baseline (2020) value: <i>to be confirmed with the BSMEPA</i> Target 2024 value: <i>to be further specified based on the envisaged</i></p>	

²⁵ And relevant EU averages/ convergence targets

²⁶ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25,26}
	<i>resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
3) Implementation of marketing measures, analyses and support for SMEs to develop and prepare promotion materials for international and regional trade fairs.	Number of supported SMEs (to develop and prepare innovative promotion materials) Baseline (2020) value: <i>to be confirmed with the BSMEPA</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	
4) Support for export-oriented clusters, initiatives and associations of SMEs, and their inclusion in international value chains.	Number of supported clusters: Baseline (2020) value: <i>0</i> Target 2024 value: <i>3</i> Target 2027 value: <i>6</i>	
Measure 2.2 Support for SMEs to participate in trade promotion events		
1) Preparation of annual programmes by BSMEPA in accordance with the national and regional priorities in the strategy and the proposals of the stakeholders for participation of SMEs on trade fairs and major events.	Elaborated annual programmes: Baseline (2020) value: <i>0</i> Target 2024 value: <i>3</i> Target 2027 value: <i>7</i>	
2) Conduction and/or support to SMEs for participation in	Number of SMEs supported to participate in international	Share of exporting SMEs

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25,26}
international trade fairs, business conferences and business meetings in Bulgaria.	<p>trade fairs, business conferences and business meetings in Bulgaria:</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Baseline (2020) value: 26.0%</p> <p>Target 2024 value: 27.5%</p> <p>Target 2027 value: 30.0%</p>
3) Support the participation of SMEs in international fairs, trade exhibitions and business conferences abroad.	<p>Number of SMEs supported to participate in international fairs, trade exhibitions and business conferences abroad:</p> <p>Baseline (2020) value: <i>to be confirmed with the BSMEPA</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
4) Support of events with focus on SMEs, organised by branch organisations, SME and start-up associations, clusters, non-governmental organisations, etc.	<p>Number of business organisations supported to participate in trade-related events</p> <p>Baseline (2020) value: <i>to be confirmed with the BSMEPA</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25,26}
5) Participation of SMEs as part of official business delegations and trade missions.	<p>Number of SMEs supported to participate in official business delegations and trade missions:</p> <p>Baseline (2020) value: <i>to be confirmed with the BSMEPA</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
Measure 2.3 Specific support for SMEs with high export potential		
1) Development of export potential scorecard based on individual survey, NSI data and the expertise of nationally representative employers' organisations in the use of such platforms. Establishment of an automated system for calculation of the export potential of enterprises and thus creating an opportunity for accurate identification of SMEs with high export potential.	<p>Developed tool – export potential scorecard for SMEs</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 0</p> <p>Target 2027 value: 1</p> <p>Number of SMEs which have used the export potential scorecard tool</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 0</p> <p>Target 2027 value: 200</p>	<p>Share of exporting SMEs</p> <p>Baseline (2020) value: 26.0%</p> <p>Target 2024 value: 27.5%</p> <p>Target 2027 value: 30.0%</p>
Measure 2.4 Support for development of e-commerce		
1) Development and use of e-commerce web platforms for SMEs in key economic sectors as an integral section of the digital	<p>Developed e-commerce platforms for SMEs</p> <p>Baseline (2020) value: 0</p>	

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25,26}
platform of the Export Hub Bulgaria.	Target 2024 value: 2 Target 2027 value: 5 Number of SMEs which have registered in the e-commerce platform Baseline (2020) value: 0 Target 2024 value: 100 Target 2027 value: 200	
2) Support to SMEs in the introduction and implementation of e-commerce solutions - websites, electronic payments, mobile internet solutions, internet security solutions, etc.	Number of supported SMEs to implement e-commerce solutions Baseline (2020) value: 0 Target 2024 value: 150 Target 2027 value: 300	Share of SMEs selling online Baseline (2020) value: 5.5% Target 2024 value: 9.0% Target 2027 value: 12.0%
3) Encouragement of SMEs to use international e-commerce platforms through seminars, trainings and meetings.	Number of supported SMEs: Baseline (2020) value: 0 Target 2024 value: 50 Target 2027 value: 100 Number of executed initiatives: Baseline (2020) value: 0 Target 2024 value: 3	

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{25,26}
	Target 2027 value: 6	
4) Support to SMEs in adoption of analytical solutions based on big data, automation and AI, etc. in order to benefit from the advantages of e-commerce.	Number of supported SMEs to adopt analytical solutions Baseline (2020) value: 0 Target 2024 value: 100 Target 2027 value: 200	
Measure 2.5 Support for adoption of quality standards and standards for automatic identification and electronic data exchange to improve the access of SMEs to the Single Market		
1) Provision of information and promotion of small business-related standards and certification, including online information.	Number of Unique Website Visits of the relevant internet pages Baseline (2020) value: 0 Target 2024 value: 200 Target 2027 value: 500	Share of SMEs with adopted international standards Baseline (2020) value: 24.4% Target 2024 value: 26.0% Target 2027 value: 29.0%
2) Support SMEs in adopting internationally recognised standards and certificates, etc.	Number of supported SMEs to adopt international standards and certificates Baseline (2020) value: 0 Target 2024 value: 200 Target 2027 value: 300	
3) Support to SMEs for the introduction of global standards for automatic identification and electronic data exchange.		

Priority 3: Access to finance

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27, 28}
Measure 3.1 Financial instruments for support of SMEs competitiveness		
1) Provision of grants and financial instruments to promote the adoption of new and modern technologies, digital solutions, specialised hardware and software by SMEs.	<p>Total amount to be available to SMEs through grants and different financial instruments:</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): BGN 10 000 000</p> <p>Target value (2027): BGN 20 000 000</p> <p>Number of supported SMEs:</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 200</p> <p>Target value (2027): 400</p>	
2) Provision of grants and financial instruments for technology modernisation, development of new products and provision of new services.	<p>Total amount to be available to SMEs through different financial instruments:</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): BGN 1 000 000</p> <p>Target value (2027): BGN 1 500 000</p> <p>Number of supported SMEs:</p> <p>Baseline (2020) value: 0</p>	<p>Net effect on annual revenue increase of supported SMEs</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): >20%</p> <p>Target value (2027): >10%</p>

²⁷ And relevant EU averages/ convergence targets

²⁸ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
	Target value (2024): 60 Target value (2027): 120	
Measure 3.2 Provision of financial instruments and guarantee schemes for investment funding and export activities of SMEs		
1) Provision of different financial instruments for SMEs - credit lines, loans, leasing, factoring, etc.	Number of supported SMEs through different financial instruments Baseline (2020) value: 0 Target value (2024): 500 Target value (2027): 1 000 Total amount to be available to SMEs Baseline (2020) value: 0 Target value (2024): <i>to be further specified based on the envisaged resources</i> Target value (2027): <i>to be further specified based on the envisaged resources</i>	
2) Provision of guarantee schemes to SMEs by the Bulgarian Development Bank Group, the National Guarantee Fund, the	Number of supported SMEs through collateral for investments and guarantee schemes	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
Holding Fund, etc.	<p>Baseline (2020) value: 0</p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Net effect on annual expenditure on fixed capital formation in SMEs</p> <p>Base value: 0</p>
3) Provision of pre-export and post-export financing through financial instruments that will support the internationalisation of SMEs by Bulgarian Export Insurance Agency.	<p>Number of supported SMEs supported by the Bulgarian Export Insurance Agency</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Target value (2024): >10%</p> <p>Target value (2027): >5%</p>
4) Facilitating the access to equity financing of SMEs through the Bulgarian Stock Exchange - SME Growth Market (BEAM). Voucher scheme supporting SMEs preparation for listing on BEAM. Provision of funding to SMEs in connection with the costs necessary for their listing on the capital market – advisors fees, investment intermediaries fees, lawyers' fees, costs for preparation of a prospectus, costs for preparation of admission documents, listing fees, information campaigns, etc.	<p>Number of publicly listed SMEs on the SME Growth Market (BEAM)</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 5</p> <p>Target value (2027): 20</p> <p>Total amount of the support through vouchers for SMEs:</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p>	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
	Target value (2027): <i>to be further specified based on the envisaged resources</i>	
Measure 3.3 Provision of financial instruments to microenterprises and small enterprises		
1) Provision of flexible credit instruments such as credit lines, overdraft, etc.	<p>Number of supported SMEs with flexible credit instruments</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the envisaged resources</i></p>	<p>Share of SMEs with good access to finance</p> <p>Baseline (2020) value: 12%</p> <p>Target value (2024): 20%</p> <p>Target value (2027): 25%</p>
2) Provision of microfinancing, working capital and investment loans for microenterprises and small enterprises.	<p>Total amount to be available to micro- and small enterprises through microfinancing, working capital and investment loans</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): BGN 6 000 000</p> <p>Target value (2027): BGN 9 000 000</p> <p>Number of supported micro- and small enterprises</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 2 000</p> <p>Target value (2027): 4 000</p>	
3) Provision of risk-sharing instruments focused to enhance the	Total amount to be available to micro- and small enterprises	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
economic activity of microenterprises and small enterprises by the Bulgarian Development Bank and the Holding Fund.	<p>through risk-sharing instruments</p> <p>Baseline (2020) value:</p> <p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported micro- and small enterprises</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 200</p> <p>Target value (2027): 500</p>	
Measure 3.4 Support for start-up and scale-up enterprises access to finance		
1) Provision of pre-seed and seed financing for start-up enterprises.	<p>Total amount of invested capital in start-up enterprises</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the envisaged resources</i></p> <p>Share of attracted private capital of total venture capital financial instruments</p> <p>Baseline (2020) value: 10%</p>	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
	Target value (2024): 20% Target value (2027): 40% Number of supported start-up enterprises Baseline (2020) value: 0 Target value (2024): 200 Target value (2027): 500	Net effect of revenue increase of start-ups Base value: 0% Target value (2024): 30% Target value (2027): 50%
2) Provision of venture capital	Total amount of invested capital in start-up enterprises Baseline (2020) value: 0 Target value (2024): <i>to be further specified based on the envisaged resources</i> Target value (2027): <i>to be further specified based on the envisaged resources</i> Share of attracted private capital of total venture capital financial instruments Baseline (2020) value: 0% Target value (2024): 30% Target value (2027): 50%	
3) Provision of growth capital (mezzanine funding) to scale-up enterprises and fast growing medium-sized enterprises.	Total amount of invested capital in scale-up enterprises and fast growing medium-sized enterprises Baseline (2020) value: 0	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
	<p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported scale-up enterprises and fast growing medium-sized enterprises</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 20</p> <p>Target value (2027): 40</p>	
<p>4) Development of a mechanism to encourage investments by business angels.</p>	<p>Number of initiatives for support of business angels investments:</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 1</p> <p>Target value (2027): 2</p> <p>Sign agreement with EIF about EAF</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 1</p> <p>Target value (2027): 1</p>	
<p>5) Provision of industry specific equity financial instruments financing technology and technology related industries SMEs. Creation of industry specific venture capital and private equity</p>	<p>Total amount to be available to SMEs through different vehicles under this action</p>	

Measures and actions	Output indicators base value and 2024/2027 target value	Result indicators base value and 2024/2027 target value ^{27,28}
funds, covering investments in enterprises in the fields of: artificial intelligence, data and metadata analytics, robotics, microelectronics, high-performance computing and data cloud infrastructure, blockchain, quantum technologies, photonics, industrial biotechnology, biomedicine, nanotechnologies, pharmaceuticals, advanced materials and technologies, etc.	<p>Baseline (2020) value: 0</p> <p>Target value (2024): EUR 30 000 000</p> <p>Target value (2027): EUR 30 000 000</p> <p>Share of total vehicles' amount distributed to SMEs</p> <p>Baseline (2020) value: 0%</p> <p>Target value (2024): 70%</p> <p>Target value (2027): 100%</p>	
Measure 3.5: Support for small projects encouraging interregional collaboration of SMEs		
1) Support for the implementation of interregional small projects	Number of SMEs participating in international regional projects	
2) Support for events, meetings, conferences and workshops between Bulgarian SMEs and international SMEs.	<p>Baseline (2020) value:</p> <p>Target value (2024):</p> <p>Target value (2027):</p>	
3) Support for international collaboration of SMEs in the national and regional priority sectors.	<p>Number of projects for international regional cooperation with SMEs participation</p> <p>Baseline (2020) value:</p> <p>Target value (2024):</p> <p>Target value (2027):</p>	

Priority 4: Digitalisation and skills

Measures and actions	Output indicators base value and 2024 and 2027 target value				Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29 30} ,
Measure 4.1 Promotion of digitalisation of SMEs					
1) Introduction of digital technologies, software, e-commerce solutions, digital applications and implementation of appropriate cybersecurity and data privacy processes.	Support for ICT adoption	2020	2024	2027	<p>Integration of Digital Technologies</p> <p>DESI index 2019 – Integration of Digital Technologies (for SMEs):</p> <p>2019 - 6 % of SMEs sell online (against EU average of 17 %);</p> <p>2024 – 10%; 2027 – 20%</p> <p>2019 - 2 % of SMEs turnover comes from the online segment</p> <p>2024 – 4%; 2027 – 6%</p> <p>Integration of Digital Technologies</p> <p>DESI index 2020 – Integration of Digital Technologies (for SMEs):</p> <p>2020 - 10% of SMEs sell online (against EU average of 17 %);</p>
2) Support for ICT adoption in SMEs of customer relationship management systems(CRM), enterprise resource planning systems(ERP), information security systems, digitalisation of processes, cognitive technologies and specialised software packages, etc.	Average % of 10 types automated management systems in place (incl. outsourced)	23,93%	30%	50%	
	Online option for orders and sales of company products and services	37,30%	43%	50%	
	Option to receive payments through online services (ePay, PayPal, etc.)	28,40%	40%	55%	
	Online billing systems	50,20%	60%	70%	
	Information security systems (encryption, firewall, backup archives) in place	45,80%	55%	75%	
	Information security systems (encryption, firewall, backup	45,80%	55%	75%	

²⁹ And relevant EU averages/ convergence targets

³⁰ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30}								
	<table border="1"> <tr> <td data-bbox="947 331 1361 379">archives) in place</td> <td data-bbox="1361 331 1473 379"></td> <td data-bbox="1473 331 1585 379"></td> <td data-bbox="1585 331 1666 379"></td> </tr> <tr> <td data-bbox="947 379 1361 443">Specialised software packages</td> <td data-bbox="1361 379 1473 443">47,80%</td> <td data-bbox="1473 379 1585 443">50%</td> <td data-bbox="1585 379 1666 443">55%</td> </tr> </table>	archives) in place				Specialised software packages	47,80%	50%	55%	<p>2024 – 14%; 2027 – 20%</p> <p>2019 - 2 % of SMEs turnover comes from the online segment</p> <p>2024 – 4%; 2027 – 6%</p>
archives) in place										
Specialised software packages	47,80%	50%	55%							
<p>3) Support for SMEs through the introduction of digital technologies and software products for automation and robotisation of production processes, communication and distribution technologies, etc. in the agriculture sector.</p>										
<p>Measure 4.2 Support for the digital transformation of the industrial SMEs</p>										
<p>1) Support for the digital transformation of SMEs in the industrial sectors of the economy, in order to implement new digital technologies in the production processes and invest in machinery and autonomous technologies.</p>	<p>Number of supported industrial SMEs</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): 100</p> <p>Target value (2027): 200</p> <p>Total amount available for SMEs</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the</i></p>	<p><i>to be further specified</i></p>								

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30} ,
<p>2) Reduction of energy-intensity of industrial SMEs through implementation of technologies, software solutions, customer relationship management systems, enterprise resource planning systems, etc.</p>	<p><i>envisaged resources</i></p> <p>Number of supported industrial SMEs Baseline (2020) value: 0 Target value (2024): 50 Target value (2027): 100</p> <p>Total amount distributed for SMEs Baseline (2020) value: 0 Target value (2024): <i>to be further specified based on the envisaged resources</i> Target value (2027): <i>to be further specified based on the envisaged resources</i></p>	
<p>3) Introduction of modern ICT solutions, cyber-security systems, data privacy processes, etc.</p>	<p>Number of supported industrial SMEs Baseline (2020) value: 0 Target value (2024): 50 Target value (2027): 100</p> <p>Total amount distributed for SMEs Baseline (2020) value: 0</p>	

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30} ,
	<p>Target value (2024): <i>to be further specified based on the envisaged resources</i></p> <p>Target value (2027): <i>to be further specified based on the envisaged resources</i></p>	
Measure 4.3 Support for acquiring digital skills		
<p>1) Application of regular training needs' assessments for precise identification of target groups for training and their specific needs (including digitalisation-related need of skills).</p>	<p>Regular training needs assessments</p> <p>Baseline 2020: 0</p> <p>2024: To comprise 20% of the specified target groups</p> <p>2027: To comprise 50% of the specified target groups</p>	<p>SME selling and purchasing online</p> <p>Baselines - Bulgarian SME:</p> <p>selling online: 5,6% (2018)</p> <p>purchasing online 6,34% (2018)</p>
<p>2) Introduction of digital/online applications and analytical solutions in the process of monitoring and continuous assessment of training needs' demand in all professional fields.</p>	<p>Digital solutions in training needs assessment</p> <p>Baseline 2020: 0</p> <p>2024: To include 15% of the professional fields</p> <p>2027: To include 30% of the professional fields</p>	<p>turnover from e-commerce 2,04% (2018)</p> <p>2024:</p> <p>selling online: 17% (2018)</p> <p>purchasing online 26% (2018)</p>
<p>3) Development of training courses for SMEs to enhance formation of skills in demand in the field of digitalisation, ICT, cybersecurity and other fields, which are specific to the SMEs activities.</p>	<p>Development of training courses</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: <i>based on the envisaged resources</i></p> <p>Target 2027 value: <i>based on the envisaged resources</i></p>	<p>turnover from e-commerce 10% (2018)</p> <p>2027:</p> <p>selling online: 30% (2018)</p> <p>purchasing online 50% (2018)</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30}
		turnover from e-commerce 20% (2018)
Measure 4.4 Encouragement of SMEs to participate in the vocational education and training system (dual education)		
<p>1) Further development and maintenance of the Information Database of the employers, which fulfil the requirements for participation in partnerships for implementation of education through work (dual education) aiming to encourage, promote and support vocational education and training in Bulgaria.</p>	<p>Number of registered enterprises, including SMEs, in the Information Database of the employers, which hire and train apprentices:</p> <p>Baseline (2020) value: 20 Target 2024 value: 200 Target 2027 value: 300</p> <p>Number of registered SMEs in the Information Database of the employers, which hire and train apprentices:</p> <p>Baseline (2020) value: 20 Target 2024 value: 100 Target 2027 value: 150</p> <p>Number of students participating in the vocational education and training system:</p> <p>Baseline (2020) value: 100 Target 2024 value: 300 Target 2027 value: 500</p>	<p>Number of students participating in the vocational education and training system in Bulgaria:</p> <p>Baseline (2020) value: MES Target 2024 value: 300 Target 2027 value: 500</p> <p>Active participation of SMEs in the Information Database of the employers, which hire and train apprentices and the VET system</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30}
2) Support for SMEs to provide vocational education and training (education through work). Encourage SMEs that provide dual education in the process of their participation in programs with national and European funding.	<p>Support for SMEs, offering vocational education and training, to match with professional schools and other employers with the aim to reveal new classes in vocational education and training:</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 100</p> <p>Target 2027 value: 200</p>	<p>Baseline (2020) value: 20</p> <p>Target 2024 value: 100</p> <p>Target 2027 value: 150</p> <p>Introduced bonus points system for SMEs with branding sign/trade mark of VET to be used in the selection process of operational programmes and national measures financed by national and EU funded programmes.</p>
3) Recognition of active SMEs employers in the field of dual education and training, which ensure apprenticeships for school students and youth by the age of 29 years old. Establishment and presentation of annual awards for employers with achievements in the field of vocational education and training.	<p>Recognition of active SMEs employers in the field of VET</p> <p>2022: Established annual awards for SMEs employers with achievements in the field of vocational education and training</p>	<p>Established annual awards for SMEs employers with achievements in the field of vocational education and training.</p>
4) Introduction of a branding sign/trade mark of VET system (dual education), outlining all employers, which successfully participate in the VET system;	<p>2023: Introduced branding sign/trade mark of VET, outlining all employers, which successfully participate in the VET system</p>	<p>Introduced branding sign/trade mark of VET, outlining all employers, which successfully participate in the VET system.</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30} ,
Measure 4.5 Introduction of standards and procedures to validate acquired skills		
1) Outlining a list of key skills, which are important for the competitiveness, exports and business results of SMEs.	<p>Research on assessment and validation of informal skills</p> <p>2022: Development of a list of key skills underlying SMEs competitiveness.</p> <p>2022: Developed methodology and testing tools.</p>	<p>Assessment and validation of informal skills</p> <p>2024: 5% of SMEs have staff with validated informal training's acquired skills for the period 2021-2024</p> <p>2027: 10% of SMEs have staff with validated informal training's acquired skills for the period 2025-2027</p>
2) Development of methodology and testing tools (in cooperation with employers' and branch organisations, SMEs, universities, etc.) for assessment and validation of skills of employees acquired through learning-by-doing, informal training, formal tertiary education, self-learning, etc., which should be used by SMEs employers and employees.		
3) Development of web-based tools and solutions for assessment of key skills. Development of e-content of online tools to assess the level of key skills and competences.	<p>Web-based tools for assessment and development of e-content</p> <p>2022: Developed web-based tools and solutions for assessment of the key skills</p> <p>2023: Developed e-content of online tools for assessment of the level of key skills and competences</p>	<p>Formal qualification in SMEs</p> <p>2020-2024: 10% of the SME raised formal qualification of their staff</p> <p>2024-2027: 20% of the SME raised formal qualification of their staff</p> <p>Formal qualification in SMEs</p>
4) Development of standards, procedures and certification system at national level (in cooperation with employers' and branch organisations, SMEs, universities, etc.) to validate key skills and competences.	<p>National standards, procedures, and certification system for validation of key skills and competences</p> <p>2023: Developed standards and procedures, and certification system at national level to validate key skills and competences</p>	

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value (and relevant EU averages/ convergence targets) ^{29, 30}
		2020-2024: 10% of the SME raised formal qualification of their staff 2024-2027: 20% of the SME raised formal qualification of their staff
Measure 4.6 Development of e-learning platform and tools, and promotion of continuous online-based training for SMEs		
1) Development and establishment of educational web platform (e-learning platform) and e-content of relevant courses in the fields, which are key to the competitiveness of SMEs in both basic and specific thorough features in their fields.	Development of educational web platform 2022 Developed educational e-learning platform 2023: Developed e-content for the platform in the domains marked in Activity 1	SMEs participating in online trainings 2020-2024: 7% of the SME were trained online in the specialised trainings 2024-2027: 10% of the SME were trained online in the specialised trainings
2) Development of training courses programmes (concerning training modules and courses, prerequisites, time schedule, methods of teaching, certification options, etc.), and conduction of promotion campaigns.	Development of training courses 2023: Developed training courses programmes (concerning training modules and courses, prerequisites, time schedule, methods of teaching, certification options, etc.),	
3) Provision of trainings: continuous online trainings on basic skills and regular teacher-assisted online trainings on more advanced skills.	2023: Conducted promotion campaigns 2023-2027: Provided and conducted regular courses	

Priority 5: Better regulation and business environment

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value ^{31, 32}
Measure 5.1 Development of digital services for SMEs		
<p>1) Introduction of a wider package of digital services for enterprises, especially at local level in municipalities, National Revenue agency, National Social Security Institute (NSSI), etc.</p>	<p>Digital services provided by municipalities and central administration:</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target value (2024): 50 digital services provided by municipalities; 150 digital services provided by central administration</p> <p>Target value (2027): 100 digital services provided by municipalities; 300 digital services provided by central administration</p>	<p>Usage of the services on the single portal for access to electronic administrative services by SMEs</p> <p>Baseline (2020) value: <i>To be measured ad hoc</i></p> <p>Target value (2024): Digital services used by 65% of SMEs</p> <p>Target value (2027): Digital services used by 75% of SMEs</p> <p>Share of SMEs representatives who think that the electronic services provided by government institutions facilitate the operation of the business they manage:</p> <p>Baseline (2020) value: 68.5%</p> <p>Target value (2024): 75%</p> <p>Target value (2027): 85%</p>

³¹ And relevant EU averages/ convergence targets

³² All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
		<p>Share of SMEs representatives who think that the electronic services provided by local government institutions facilitate the operation of the business they manage</p> <p>Baseline (2020) value: 51,9%</p> <p>Target value (2024): 65%</p> <p>Target value (2027): 75%</p>
<p>2) Provision of online payment options for enterprises' transfers to public authorities.</p> <p>-</p>	<p>Available options for online payments</p> <p>Baseline (2020) value: N/A</p> <p>Target value (2024): 45% of administrations with options for online payment in addition to bank transfer payment option</p> <p>Target value (2027): 65% of administrations with options for online payment in addition to bank transfer payment option</p>	<p>Share of SMEs using options for online payments</p> <p>Baseline (2020) value: N/A</p> <p>Target value (2024): 65% of SMEs use options for online payment in addition to bank transfer payment option</p> <p>Target value (2027): 75% of SMEs use options for online payment in addition to bank transfer payment option</p>
<p>3) Development of ICT tools for more efficient communication and collaboration between different public administrations (G2G) to support the full implementation of the “digital by default” and</p>	<p>Developed ICT tools for communication and collaboration between different public administrations (G2G)</p>	<p>Percentage of the digital information provided by the SMEs to public authorities</p>

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
“once-only” principle.		<p>Baseline (2020) value: N/A</p> <p>Target value (2024): 65% of the information provided by SMEs to different public administrations to be digital</p> <p>Target 2024 85% of the information provided by SMEs to different public administrations to be digital</p>
4) Development of a Single Entry Point System to ensure compatibility and interaction between Financial Security Commission, Central Depository and Bulgarian Stock Exchange systems.	<p>Developed Single Entry Point System</p> <p>Baseline (2020) value: 0</p> <p>Target value (2027): 1</p>	<p>Developed Single Entry Point System</p> <p>Baseline (2020) value: 0</p> <p>Target value (2027): 1</p>
Measure 5.2 Support for better connectivity of SMEs: establishment of SMEs’ network and improved consultation process		
1) Development and promotion of a single point of information about forthcoming and recent legislation changes, requirements and procedures, etc. with SMEs representatives.	<p>Developed single point of information for SMEs</p>	<p>Level of usage of the single point of information by SMEs</p> <p>Baseline (2020) value: 0</p> <p>Target value (2024): Single point of information used by 500 SMEs</p> <p>Target value (2027): Single point of information used by 1000 SMEs</p>

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
2) Promotion of platforms for cooperation between SMEs on national and international level - the Enterprise Europe Network, the Single Digital Gateway, etc.	SMEs aware of platforms for cooperation between SMEs	Level of usage of platforms by SMEs Baseline (2020) value: N/A Target value (2024): 200 SMEs Target value (2027): 400 SMEs
3) Update of the Business Guide for SMEs with more detailed information for: Starting a business, Business operations, Human Resources, Accounting and reporting, Financing, Commercial activities, Protection of personal data, Procurement, R&D, Construction, Change in the structure of the business, Termination of business activity, Cross border trade and operations, etc.	Updated Business Guide	Level of usage of the business guide Total number of visits and number of unique website visits of the Business Guide Baseline (2020) value: <i>to be specified</i> Target 2024 value: 10 000 Target 2027 value: 15 000
Measure 5.3 Promotion of the role of the national SME Envoy		
1) Facilitate access to information of SMEs about programs and initiatives, which have an impact on SMEs.	Provided information to SMEs	Number of published documents about programs and initiatives: Target value (2024): 10 Target value (2027): 20
2) Improvement of the dialogue with SMEs regarding regulations. Consultation procedures, which include more actively SMEs	Registered complains regarding services, legislation and regulations	Level of response to complaints by SMEs

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
representatives.		<p>Target value (2024): at least 70% of SMEs satisfied by the answers of complains and actions taken</p> <p>Target value (2027): at least 85% of SMEs satisfied by the answers of complains and actions taken</p>
3) Strengthening the public dialogue between SME organisations and public institutions, whose actions could have an impact on SMEs. Organisation of an "SME network" inside the public administration, composed of the SME contact points of all ministries with relevant policies in order to increase awareness about SME issues and regularly discuss initiatives focused on SMEs.	<p>Regular meetings and discussions with SMEs representative:</p> <p>Target value (2024): 10</p> <p>Target value (2027): 20</p>	<p>Share of SMEs satisfied by the consultations process:</p> <p>Target value (2024): 50%</p> <p>Target value (2027): 60%</p>
4) Identification and encouragement of best practises in the policy for SMEs and in the field of Entrepreneurship implemented through different initiatives and programs.	Introduced best practices	<p>Number of best practices introduced</p> <p>Baseline (2020) value: N/A</p> <p>Target value (2024): 5</p> <p>Target value (2027): 10</p>

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
5) Conduct reports on different topics concerning SMEs at European, national and regional level.	Conducted reports on topics concerning SMEs	Conducted reports: Baseline (2020) value: N/A Target value (2024): 2 Target value (2027): 4
Measure 5.4 Improvement of the business environment for SMEs		
1) Application of Regulatory Impact Assessment. Development of capacity of central administration for Regulatory Impact Assessment and assessment of cost effects of proposed legislation and regulations on costs for SMEs. Identification of the existing legislation, which is particularly burdensome for SMEs.	Number of Regulatory Impact Assessments conducted Baseline (2020) value: N/A Target value (2024): 50 Target value (2027): 75	Formulated suggestions for legislation amendment Baseline (2020) value: N/A Target value (2024): 60 Target value (2027): 85 Number of regulations amended Baseline (2020) value: N/A Target value (2024): 50 Target value (2027): 75
2) Reducing administrative procedures, time for implementation and their costs regarding: dealing with construction permits; registering property especially at municipality level; enforcing contracts; connecting to the electricity supply network.	Legislation review and analyses conducted	
Measure 5.5 Easing the participation of SMEs in public procurement		

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
1) Raising awareness among SMEs on the status of public procurement market in Bulgaria. Implementation of an analysis and data on public procurement rules and procedures including number of public procurements, number of contracting authorities, number of contractors, share of procurement with European financing, number of public procurements in accordance with the object - delivery of goods, provision of services, construction, number of contracts and value, share of procedures appealed and irregularities observed.	Information campaign launched	Share of SMEs aware of public procurement market in Bulgaria Baseline (2020) value: N/A Target value (2024): 30% Target value (2027): 55%
2) Creation of sustainable administrative capacity and further development of skills and competences, as well as knowledge and understanding within the Contracting authorities in order to achieve efficient and effective specification of tender documentation, provide for professional evaluation of tender bids, and thus allow for optimal selection of SMEs suppliers.	Training provided for national and local administrations Baseline (2020) value: N/A Target value (2024): 5 Target value (2027): 10	Trained employees: Baseline (2020) value: N/A Target value (2024): 25 Target value (2027): 50
3) Development of capacity among SMEs for applying in public procurement procedures through web-based trainings with video content.	Web-based training provided for SMEs Baseline (2020) value: NA Target value (2024): 1 Target value (2027): 1 (update)	SMEs representatives downloaded web-based trainings with electronic content Baseline (2020) value: NA Target value (2024): 200 Target value (2027): 300
4) Continuing increase of publicity and transparency in public procurement, integrating the internet websites with relevant	Elaborated analyses and information provided to the general	Share of SMEs participating in

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31,32}
information at local and central level in one single web platform, achieving compliance with the standards adopted in the case of reporting project performance and results under the European Funds' programmes.	public and SMEs	public procurement Baseline (2020) value: 21% Target value (2024): 30% Target value (2027): 35%
Measure 5.6 Second chance, late payment and easing the transfer of business		
1) Amendments in the legal framework in order to reduce time to close a business reduce cost, to close a business and strengthen the insolvency framework.	Legislation review and analyses conducted	Time for liquidation³³ Baseline (2020) value: 3.3 years Target value (2024): 2.3 years Target value (2027): 1.7 years Time to resolve insolvency Baseline (2020) value: 3.3 years Target value (2024): 2.3 years Target value (2027): 1.7 years Cost to resolve insolvency (% of the debtor's estate) Baseline (2020) value: 9 Target value (2024): 8

³³ Source: Doing Business

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
		<p>Target value (2027): 7</p> <p>Degree of support for allowing for a second chance</p> <p>Baseline (2020) value:84%</p> <p>Target value (2024): 86%</p> <p>Target value (2027): 88%</p> <p>Strength of insolvency framework index (0-16)</p> <p>Baseline (2020) value: 12</p> <p>Target value (2024): 13</p> <p>Target value (2027): 14</p>
<p>2) Initiate public discussions in order to change public perceptions on fear of failure and the degree of support for a second chance.</p>	<p>Information campaign and public discussions launched</p> <p>Baseline (2020) value: NA</p> <p>Target value (2024): 2</p> <p>Target value (2027): 4</p>	<p>Fear of Failure Rate (Percentage of 18-64 population with positive perceived opportunities who indicate that fear of failure would prevent them from setting up a business)</p> <p>Baseline (2020) value: 48%</p> <p>Target value (2024): 38%</p>

Measures and actions	Output indicators Baseline (2020) value and 2024 and 2027 target value	Result indicators Baseline (2020) value and 2024/2027 target value^{31, 32}
		Target value (2027): 28% ³⁴
3) Amendments in legislation to prevent delays in government-to-business and business-to-business payments.	Amendments in legislation Baseline (2020) value: NA Target value (2027): 1	Share of companies having any outstanding accounts receivable Baseline (2020) value: 38% Target value (2024): 25% Target value (2027): 15%
4) Preventing SMEs from late payment difficulties by encouraging alternative financial sources - factoring, forfaiting etc.	Reduction in delays for business-to-business and government-to-business payments	Implemented procedures for reduction of delays for business-to-business and government-to-business payments: Target value (2027): 2
5) Encourage SME business inheritance.	Simplifying the procedures for transfer of business.	Simplified procedures for transfer of business: Target value (2027): 2

³⁴ Source: Global Entrepreneurship Report

Priority 6: Environment

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{35, 36}
Measure 6.1 Support to the improvement of energy and resource efficiency of SMEs and increased use of renewable energy sources		
<p>1) Support for enhanced use of energy efficiency in SMEs. Strengthening the network of energy auditors.</p>	<p>Number of SMEs which received support to improve their energy efficiency</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p>	<p>Share of SMEs undertaking energy efficiency measures</p> <p>Baseline (2020) value: NSI data + survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p> <p>Share of SMEs undertaking resource efficiency measures</p>
<p>2) Support for resource/material efficiency and a general shift to circularity within SMEs. Improving the efficient use of water as a resource in SMEs and encouraging its reuse. Creation of a network of resource auditors.</p>	<p>Number of SMEs which received support to improve their resource efficiency</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p>	<p>Baseline (2020) value: NSI data + survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p> <p>Share of SMEs adopting circular economy business models</p> <p>Baseline (2020) value: survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p>
<p>3) Support for the enhanced use of different types of renewable</p>	<p>Number of SMEs which received support to develop</p>	<p>Share of SMEs using different types of</p>

³⁵ And relevant EU averages/ convergence targets

³⁶ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
energy by SMEs (photovoltaic, wind, hydro, biomass and cogeneration systems, etc.).	renewable sources of energy Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	renewable energy sources Baseline (2020) value: survey Target 2024 value: Target 2027 value:
Measure 6.2 Promotion and adoption of environmental management certification by SMEs		
1) Support for SMEs to fulfil the process of certification of EU Eco-Management and Audit Scheme (EMAS) ³⁷ , ISO 14001 (environmental management) ³⁸ , ISO 5001 (energy management) and ISO 9001 on quality management certification.	Number of SMEs which received support to go through the process of EMAS certification Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	Number of SMEs with EMAS certifications Baseline (2020) value: 13 enterprises Target 2024 value: 30 Target 2027 value: 40 Number of SMEs with ISO 14001 certifications
2) Focus on and support for several highly visible lighthouse EMAS projects in key sectors for the Bulgarian economy.	Number of lighthouse EMAS projects in different sectors Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	Baseline (2020) value: 1,946 enterprises (incl. SMEs) Target 2024 value: 3,000 Target 2027 value: 4,000
3) Promote sectoral Best Environment Management Practices	Number of SMEs which have received trainings on Best	Share of SMEs with access to BEMPs

³⁷ EMAS - Management tool for companies and other organisations to evaluate, report and improve their environmental performance.

³⁸ ISO 14001 – Environmental Management System - management tool for companies and other organisations

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
(BEMPs) ³⁹ , developed by the Joint Research Centre (JRC), as the main documents of the EC about greening a certain sector.	<p>Environmental Management Practices</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p> <p>Number of sectoral Best Environmental Management Practices which have been actively promoted</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 5</p> <p>Target 2027 value: 11</p>	<p>Baseline (2020) value: 0</p> <p>Target 2024 value: 40%</p> <p>Target 2027 value: 80%</p>
4) Promote a culture of environmental responsibility among SMEs through capacity building and through the recognition of enterprises, which are environmentally responsible.	<p>An environmental-friendly SME award.</p> <p>Information campaign about green best practices.</p>	<p>Target 2023 value: an environmental-friendly SME award.</p> <p>Information campaigns about green best practices.</p> <p>Target 2024 value: 1</p> <p>Target 2027 value: 2</p>
Measure 6.3 Support the participation of SMEs in strategic value chains of the European Union		
1) Support SMEs to better integrate into the European value chains in the context of circular economy. Implementation of targeted	Number of priority sectors supported through trainings, guidance documents, specific sectoral projects, etc.	Share of priority sectors having received trainings, guidance

³⁹ Best Environment Management Practices (BEMPs) – Documents produced by the Joint Research Centre (JRC) of the EC for different sectors together with Sectoral Reference Documents (SRDs)

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
<p>actions towards increasing the circularity of the individual SMEs or value chains by adopting circular business models such as:</p> <ul style="list-style-type: none"> a. substitution of raw materials with secondary ones; b. shift to product-service systems; c. functional economy (selling the use, not the product) d. undertaking industrial symbiosis synergies; e. substituting products or packaging with bio-based ones; f. adopting smart/circular design for better reuse, repair ability, material efficiency, increasing the lifetime of the product; g. manufacturing initiatives; etc. 	<p>Baseline (2020) value: Target 2024 value: 4 Target 2027 value: 10</p>	<p>documents, etc.</p> <p>Baseline (2020) value: 0 Target 2024 value: 40% Target 2027 value: 100%</p>
<p>2) Support for SMEs to reduce and substitute the use of plastics in their production processes (including plastic packaging) in line with the European Strategy for Plastics in a Circular Economy. Support SMEs producing single-use plastics to adapt to producing bio-based products (to ensure compliance with the Single Use Plastics Directive 2019/904).</p>	<p>Number of SMEs targeted through the programme/campaigns</p> <p>Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding</p>	
<p>3) Support SMEs in the sector of the bioeconomy (including blue bioeconomy) to access markets and develop bio-based products.</p>	<p>Number of SMEs supported to become integrated in European bio-based economy value chains</p>	<p>Share of relevant SMEs in the bioeconomy sector having received support/guidance/trainings</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
	Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	Baseline (2020) value: 0 Target 2024 value: 30% Target 2027 value: 60% (value depends on funding)
4) Modernisation of the regulatory framework in the field of modern biotechnology and genetic resources.	Number of supported SMEs in the sector of blue bioeconomy Baseline (2020) value: 0 Target 2024 value: depends on funding but 5 could be a good start Target 2027 value: 10 Number of guidance materials Baseline (2020) value: 0 Target 2024 value: 3 Target 2027 value: 5	
Measure 6.4 Improvement of capacity of SMEs with regards to the transition to circular and low-carbon economy		
1) Launch a series of capacity building programmes for SMEs across the country on: <ul style="list-style-type: none"> - circular economy concepts; - new circular business models at regional and local level; and opportunities for SMEs in the process of transition to the circular economy making different value chains more circular (with 	Number of Unique Website Visits (of the relevant internet pages) Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: 500 Target 2027 value: 1000	Number of SMEs informed about the circular economy and circular business models and with an online access to information and tools Baseline (2020) value: 0 Target 2024 value: 500 Target 2027 value: 1000

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
the support of sectoral associations and business intermediaries)		
2) Support the effectiveness and efficiency of Extended Producer Responsibility (EPR) schemes and extend them to sectors generating high quantities of waste.	<p>Number of EPR schemes improved</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p> <p>(if appropriate, value depends on further analysis)</p> <p>Number of EPR schemes added</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 1</p> <p>Target 2027 value: 2</p> <p>(if appropriate, depends on further analysis)</p>	<p>Share of well-functioning EPR schemes</p> <p>Baseline (2020) value: further analysis</p> <p>Target 2024 value: 80%</p> <p>Target 2027 value: 100%</p>
3) Support SMEs and start-ups to adopt concrete circular business models such as reuse, repair, reverse logistics, remanufacturing, industrial symbiosis, etc. Support SMEs in the shift from product sale to service provision.	<p>Number of individual SMEs and start-ups supported to adopt concrete circular business models:</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p>	<p>Share of SMEs having adopted circular business models</p> <p>Baseline (2020) value: survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p>
4) Support SMEs to increase the share of recycled waste on a	Number of supported SMEs from sectors generating	Share of SMEs generating significant

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
<p>sectoral basis with a particular focus on those sectors generating significant amounts of waste (e.g. construction and demolition, building renovation, etc.). Launch several lighthouse projects in individual sectors.</p>	<p>significant amount of waste</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p> <p>Lighthouse projects launched in sectors like construction and demolition, building renovation, etc.</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 3</p> <p>Target 2027 value: 7</p>	<p>amount of waste with good recycling practices</p> <p>Baseline (2020) value: survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p>
<p>5) Support SMEs to improve sustainability of their raw materials and increase the share of secondary raw materials in production processes. Support SMEs for efficient use of water as a resource in production processes, including the promotion of water reuse and the introduction of closed cycles in enterprises in order to save water.</p>	<p>Support to SMEs improving the sustainability with analysis of raw material in use</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p>	<p>Share of SMEs using secondary raw materials</p> <p>Baseline (2020) value: survey</p> <p>Target 2024 value:</p> <p>Target 2027 value:</p>
<p>6) Launch of a pilot project on industrial symbiosis as one of the circular business models.</p>	<p>Number of pilot projects on industrial symbiosis as one of the circular business models</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 1</p>	<p>Target 2024 value:</p> <p>Target 2027 value:</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{35,36}
	Target 2027 value: 1 Number of individual industrial symbiosis synergies Baseline (2020) value: Unknown Target 2024 value: 15 (in addition to baseline) Target 2027 value: 40	
Measure 6.5 Promotion of green products through EU ecolabel, Environmental Technology Verification and circular design		
1) Support SMEs to certify products under the EU ecolabel.	Number of SMEs supported to certify products under EU ecolabel Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	Number of registered products Baseline (2020) value: 9 Target 2024 value: 40 Target 2027 value: 70
2) Support SMEs to shift to eco-design and circular design.	Number of SMEs supported for a shift to eco-design and circular design Baseline (2020) value: 0 Target 2024 value: depends on funding (40% of the value for the whole period) Target 2027 value: depends on funding	Share of relevant SMEs working on design improvements Baseline (2020) value: survey Target 2024 value: Target 2027 value:
3) Support SMEs to substitute fossil-based products with	Number of SMEs supported to substitute fossil-based products with alternative or bio-based products	Number of SMEs having substituted fossil-based products with alternative

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{35,36}
alternative or bio-based products.	<p>Baseline (2020) value: 0</p> <p>Target 2024 value: depends on funding (40% of the value for the whole period)</p> <p>Target 2027 value: depends on funding</p>	<p>or bio-based products</p> <p>Baseline (2020) value: 0</p> <p>Target 2024 value: 20</p> <p>Target 2027 value: 40</p>

COVID-19 SME policy response

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{40, 41}
Measure 1 Ensuring solvency support to SMEs and incentivising private investments		
1) Provision of grants and financial instruments to SMEs for microenterprises and small enterprises (including self-employed).	Number of SMEs which have been supported with financial instruments Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: 20 000	Business performance of supported SMEs (net revenue, fixed capital expenditure, number of persons employed) Baseline (2020) value: to be measured ad hoc Target 2024 value: to be measured ad hoc
2) Provision of financial instruments and other support to SMEs to alleviate the negative effects from late payment.	Number of supported SMEs (to alleviate the negative effects from late payments) Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i>	
3) Encourage the participation of SMEs and start-ups to initiate production of new products and services, as well as to adapt dual-use products in response to market demand in times of crisis. Support for SMEs to provide innovative production in the fields of pharmacy, health prevention, disease treatment and the use of new technologies as a rapid response to health crises.		
Measure 2 Support for adoption of digital technologies, facilitating “work from distance” in SMEs		
1) Provision of grants/vouchers to SMEs for ICT consultancy	Number of supported SMEs for ICT consultancy services	Number of supported SMEs for ICT

⁴⁰ And relevant EU averages/ convergence targets

⁴¹ All target values are considered to be at least the exact percentage and/or number given.

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{40, 41}
services (IT development, IT support, etc.) to support SMEs in restructuring and automation of workflows as well as in digitalisation of work.	<p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>consultancy services</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>
2) Provision of grants/vouchers to SMEs for the necessary ICT software, equipment and devices. Enhance cyber security tools and solutions.	<p>Number of supported SMEs (for digital infrastructure)</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported SMEs (for cyber security)</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported SMEs for specialised software</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Number of supported SMEs (for digital infrastructure)</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported SMEs (for cyber security)</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p> <p>Number of supported SMEs for specialised software</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{40,41}
	Target 2027 value: <i>to be further specified based on the envisaged resources</i>	Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>
Measure 3 Support for adoption of solutions aimed at health promotion, health protection and disease prevention		
1) Provision of grants for adoption of new solutions aimed at health promotion, health protection and disease prevention to be used by the economic activities, which require direct contact with clients in the following sectors: Tourism: Transportation and storage, Wholesale and retail trade; Repair of motor vehicles and motorcycles, Accommodation and food service activities; Human health and social work activities, Education, Travel agency, Tour operator and other reservation service and related activities, etc.).	Number of supported SMEs by sectors for solutions aimed at health promotion, health protection and disease prevention Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i>	Share of SMEs which have adopted new solutions for health promotion, health protection and disease prevention Baseline (2020) value: <i>to be measured ad hoc</i> Target 2024 value: <i>to be measured ad hoc</i>
Measure 4 Support for digitalisation of services provided by arts, entertainment and creative industries		
1) Provision of grants/voucher for adoption of digital technologies (professional equipment, renovation of facilities, acquisition of specialised software products) allowing for online distribution and e-commerce of the products and services of the Arts, entertainment and creative industries.	Number of SMEs in the arts, entertainment and creative industries which have received grants for adoption of digital technologies Baseline (2020) value: <i>to be confirmed</i> Target 2024 value: <i>to be further specified based on the envisaged resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	Share of SMEs in the Arts, entertainment and creative industries which use digital technologies Baseline (2020) value: <i>to be measured ad hoc</i> Target 2024 value: <i>to be measured ad hoc</i>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value ^{40, 41}
	<i>resources</i>	Target 2024 value: to be measured ad hoc
2) Provision of trainings for the human resources in the Arts, entertainment and creative industries to enhance their digital skills.	<p>Number of SMEs in the arts, entertainment and creative industries which have participated in ICT trainings</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	
Measure 5 Support for strengthening the SMEs in the Human health and social work activities		
1) Provision of grants and financial instruments for modernisation and digitalisation of the SMEs and start-up enterprises in the Human health and social work activities – purchase of professional equipment, renovation of facilities, acquisition of specialised software products, development and adoption of ICT applications, etc.	<p>Number of SMEs in the Human health and social work activities which have received grants for modernisation</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p> <p>Target 2027 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Share of SMEs in the Human health and social work activities which use digital technologies</p> <p>Baseline (2020) value: to be measured ad hoc</p> <p>Target 2024 value: to be measured ad hoc</p>
2) Provision of trainings for the human resources in the Human health and social work activities to enhance their digital skills.	<p>Number of SMEs in the Human health and social work activities which have participated in ICT trainings</p> <p>Baseline (2020) value: <i>to be confirmed</i></p> <p>Target 2024 value: <i>to be further specified based on the envisaged resources</i></p>	<p>Target 2024 value: to be measured ad hoc</p>

Measures and actions	Output indicators base value and 2024 and 2027 target value	Result indicators base value and 2024/2027 target value^{40, 41}
	<i>resources</i> Target 2027 value: <i>to be further specified based on the envisaged resources</i>	

Annex C

Executive summary of the SME priority areas analysis

SMEs are key players in the Bulgarian economy at both national and regional level, with significant contribution to the inclusive economic and social well-being. In 2018 the share of persons employed in Bulgarian SMEs was 75.7% (while this share in EU-28 was 66.6%). Value added generated at Bulgarian SMEs represented 65.3% of the value added in the overall economy, compared to an EU-28 average EU-28 of 56.4%.

Comparisons between developments in Bulgaria and in the EU based on the 2019 SBA Fact Sheet indicate that the **SMEs sector in Bulgaria is lagging behind** in many of the key indicators that measure business development environment. The only area, in which the country scores **above the EU average**, is access to finance, which continues to improve substantially since 2008. The areas in **highest need of interventions** are related to skills and innovations, as well as the promotion of entrepreneurship. Although progress has been made in terms of cost and time for doing business, the business environment and regulations for Bulgarian SMEs need to catch up with the EU levels in the areas of e-services, time to pay taxes, and measures supporting new and growing businesses.

The SMEs Promotion Strategy 2014-2020 sets the current policy framework for the development of the SMEs sector in Bulgaria. Its implementation is still underway, with the policies being funded mainly through European funds. **Achieved gross effects**⁴² indicate that there is **a substantial progress**⁴³ in some of the priority areas. However, results achieved through the implementation of planned measures could be completely assessed once the programming period is over. Interim net effects evaluation shows that relevant schemes under the operational programmes have already had **a positive impact on real GDP, private investments, exports, employment**, etc.⁴⁴ Therefore, the continuity in policymaking is of high importance for the sector development. The National strategy for SMEs 2021-2027 will set the policy framework for the sector on the basis of the current analysis, which aims to provide an **in-depth assessment of the SMEs landscape in Bulgaria** as well as **the challenges faced** by SMEs in key priority areas.

SMEs landscape in Bulgaria

In 2018 there were 27.6 thousand small and medium-sized enterprises (with more than 10 employees) in the

⁴² Based on the SBA Fact Sheet indicators.

⁴³ Slightly more than half of the indicators showed improvement in 2019 in comparison to 2012 (21 out of 40 indicators).

⁴⁴ Based on SIBILA 2.0 (Ministry of Finance, 2019. *Report - EU Funds in Bulgaria: Assessment of the macroeconomic effects of the implementation of programs co-financed by EU funds - September 2019*. Sofia: Ministry of Finance).

non-financial sector of the Bulgarian economy, while the number of microenterprises (with up to 10 employees) was considerably higher – 317.8 thousand. The number of persons employed in SMEs was 1.5 million, of which 29.8% in Wholesale and retail trade; repair of motor vehicles and motorcycles, and 23.4% in Manufacturing.

During the period 2008-2018, there was an ongoing **re-structuring of the SMEs sector with gradual increase of the number of enterprises in Manufacturing**, and a **considerable growth of that number in Professional services and Information and communication**. The latter indicated growth of 70.0% of the number of persons employed (the highest increase observed among all sectors).

There was a **positive trend in the number of newly born enterprises** in the period 2012-2017. In 2017 their number was 48.1 thousand, including 567 with 10 or more employees. The sustainability indicators of the newly born enterprises in Bulgaria show that one in five is highly likely to close down during the first year of operation, one in three – during the first two years, and half to stay in business after the third year. The number of employees is likely to double after the fourth year of operation. The fraction of starting enterprises, which become scale-ups in the first 3 years of their establishment, is 1:1,000.

During the period 2008-2018, **the value added at factor costs of Bulgarian SMEs increased** by 69.6%. The importance of Manufacturing increased as its share in total value added grew by 63.0%, reaching 20.6% in 2018. The highest growth rate in the Services sector for the same period was observed in Information and communication– 226.4%, reaching a share of 8.2% by 2018.

Over the last decade a **deepening of the regional inequalities** was observed. In 2018 almost two thirds of the SMEs were located in five regions (Sofia City, Plovdiv, Varna, Burgas and Blagoevgrad). In 2017 half of the value added was generated in the South-West region (where Sofia City has a share of 42.1% in total value added), while the least developed was the North-West region with a share of 5.6% in total value added.

Determinants of SMEs competitiveness

Several priority areas have been identified and analysed as being key external or internal determinants of SMEs competitiveness. At present, the Bulgarian SMEs face specific challenges in each of these domains.

Entrepreneurs and entrepreneurship in Bulgaria

There is a **gradual positive tendency in the societal attitudes** towards entrepreneurship in the recent years; however, **the entrepreneurial self-perceptions and intentions** in Bulgaria seem to be rather low. The share of the adult population perceiving good opportunities to start a business in the area where they live has dropped from 21.0% in 2015 to 19.3% in 2018, while that of the adult population with perceived capabilities for

entrepreneurship has decreased from 39.7% to 36.9%⁴⁵. As of 2019 Bulgaria has the lowest share in the EU of adults that intend to start a business within 3 years⁴⁶.

The country exhibits levels of total early stage entrepreneurial activity (TEA) below the EU average in the period 2015-2018⁴⁷ and the opportunity-driven entrepreneurial performance is one of the lowest.⁴⁸ In 2018 a significant part of the TEA in Bulgaria has some or strong indication of family-based entrepreneurship⁴⁹. At the same time, the indicator ‘Established business ownership rate’ exhibits a steady increase and its scores exceed regularly the EU average for the period 2015 – 2018.⁵⁰

Bulgaria is among the EU member states with **a relatively large number of self-employed** per billion of GDP.⁵¹ However, the **impact of entrepreneurial activity** seems to be **relatively limited**. In 2018 72.2% of enterprises involved in early stage entrepreneurial activity did not expect to create new jobs in the next 5 years, while only 14.9% indicated that their product or service was new to some or all customers and was offered by few or no other competitors.

Bulgaria lags behind other EU countries in relation to the **environment for entrepreneurship and for enterprise growth**. According to the National Entrepreneurship Context Index (NECI)⁵², the country has overall score of 4.7 out of 10 and ranks 14th among 18 EU countries and 36th among total of 54 countries, participating in the GEM in 2018.⁵³ Bulgaria drops with 2 positions to 61st place among 190 economies in Doing Business 2020 annual ranking of the World Bank, at a lower position than most of the EU member states⁵⁴. Since 2008, various policy measures addressing SBA recommendations related to entrepreneurship as a policy dimension have been implemented. Despite these policy efforts, in 2018 the average expert ratings for government policies and programmes for entrepreneurship in Bulgaria are below the EU average.

⁴⁵ Official Website of GEM - Global Entrepreneurship Monitor. 2020. [online] Available at: <<https://www.gemconsortium.org>>

⁴⁶ European Commission, 2019. 2019 SBA Fact Sheet Bulgaria. Brussels: European Commission.

⁴⁷ SBA Fact Sheet - Bulgaria 2016-2019. European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs.

⁴⁸ Ibid.

⁴⁹ Global Entrepreneurship Monitor, 2019. *Global Report 2018/19*. London: Global Entrepreneurship Research Association (GERA).

⁵⁰ SBA Fact Sheet - Bulgaria 2016-2019. European Commission, DG Internal Market, Industry, Entrepreneurship and SMEs.

⁵¹ Source of all data presented: PwC Luxembourg, CARSA, DIW Econ, LE Europe, 2019. *Annual Report on European SMEs 2018/2019. Research & Development and Innovation by SMEs. SME Performance Review 2018/2019*. Brussels: European Commission

⁵² The NECI is based on the 12 framework conditions and importance weights on these conditions provided by experts who participated in the GEM’s National Expert Survey in 2018 (<https://www.gemconsortium.org>).

⁵³ Official Website of GEM - Global Entrepreneurship Monitor. 2020. [online] Available at: <<https://www.gemconsortium.org>>

⁵⁴ World Bank, 2020. *Doing Business 2020. Region Profile: European Union (EU)*. Washington: World Bank.

Although the Bulgarian entrepreneurial ecosystem is thriving rapidly in the past decade⁵⁵, none of the top 30 start-up ecosystems identified by Startup Genome is located in Bulgaria⁵⁶. The Bulgarian entrepreneurial ecosystem is very **unevenly developed in different regions** and targeted entrepreneurial ecosystem policy is needed that is closely coordinated with the smart specialisation policy⁵⁷. There are more than 95 business incubators and co-working spaces, concentrated predominantly in Sofia, Plovdiv and Varna. While the operation of the business incubators in Bulgaria is associated with a number of problems⁵⁸, the **co-working spaces exhibit rapid development and have a key role** for stimulating entrepreneurial culture and boosting entrepreneurial ecosystems. At the same time, few Bulgarian business incubators and co-working spaces include and are located in universities and research organisations. The Smart Specialisation Strategy **has yet little effect on the entrepreneurship ecosystem** because of the short period of its effective implementation and the resources invested by now.

The **role of industrial clusters in Bulgaria is still insufficient**, partly driven by misunderstanding of their essential characteristics and purpose as innovative organisational networks and partly by deficiencies in the legal framework and mechanisms related to their registration, functioning and monitoring of activities. **A long-term government cluster policy** and programme support, complemented by a single register of industrial clusters and regular analysis of their development and results, would provide **the right conditions** to enhance their impact on the development of the entrepreneurial and innovative environment in Bulgaria.

Finally, the **role and collaboration of the higher educational system and institutions is key** for stimulating the entrepreneurial ecosystem in Bulgaria. The Ministry of Education and Science introduced the subject ‘Technology and Entrepreneurship’ in the structure of the primary and secondary education and the subject ‘Entrepreneurship’ in the structure of vocational education. Still, not all students in Bulgarian universities have access to entrepreneurship education, especially in the STEM fields, which are closely related to innovation capacity. Bulgarian students should receive an introduction to entrepreneurship and self-employment as part of career guidance and the opportunity to choose at least one entrepreneurship course during their university studies⁵⁹.

Access to finance

During the past decade, the **access to finance has improved**. However, at present, one in four enterprises experiences difficulties in this respect. **The most used methods of funding** are the means of the owners (56.2% of the SMEs used such in 2019), and bank sources of financing (credit card - 33.8%, current account overdraft

⁵⁵ Andonova, V., Nikolova, M. and Dimitrov, D., 2019. *Entrepreneurial Ecosystems In Unexpected Places*. Springer.

⁵⁶ PwC Luxembourg, CARSA, DIW Econ, LE Europe, 2019. *Annual Report on European SMEs 2018/2019. Research & Development and Innovation by SMEs. SME Performance Review 2018/2019*. Brussels: European Commission.

⁵⁷ Autio, E., 2016. *Entrepreneurship Support In Europe: Trends And Challenges For EU Policy*. London: Imperial College Business School.

⁵⁸ Atanasov, T., 2015. *Бизнес-инкубаторите в България: състояние и перспективи за развитие*. PhD dissertation. Sofia: Sofia University “St. Kliment Ohridski”.

⁵⁹ European Commission, 2008. *Entrepreneurship in higher education, especially within non-business studies*. Brussels: European Commission.

- 24.3%, and working capital loan - 24.1%).⁶⁰

The **typical barrier for access to finance** is the enterprise size. Investment and working capital bank loans have been used by very few of the microenterprises (below 20%), who lean towards usage of means of the owners or self-financing (61.3%) and loans from family and friends (24.7%). Part of the problem lies in lack of sufficient collateral or lack of registered credit history that results in actual or perceived rejection risk for some of the SMEs. Thus the **establishment and maintenance of guarantee funds and related instruments** would be crucial to support their access to finance. Promotion of microfinance to specifically support microenterprises can also be considered.

A considerable part of SMEs report to have had an interest in the operational programmes Innovation and Competitiveness, Human Resources Development and Small and Medium Sized Enterprises Initiative. Nevertheless, much smaller fractions have applied for financing under these programmes and more than half of the applications have received funding. **Procedures** with respect to applying for funding from European and national programs **are still difficult and time consuming**. There is a clear need to reduce the administrative burden and complexity of the application process, including by introducing simpler language in financing program's materials and application forms. The transfer of the SMEs compliance assessment to the financing scheme management body would also help to alleviate the administrative burden.

Another obstacle is the **low level of awareness among SMEs about existing funding opportunities**, mostly due to the lack of easily accessible and structured information about funding options under various programmes. Loans under SME Initiative have not been actively promoted, nor the benefit to the SMEs have been made clear. There is an **identified need for a single point of information** and a communication campaign, explaining the benefits of different types of funding to SMEs.

Finally, SMEs have much more **limited administrative capacity in terms of human and financial resources** compared to larger businesses. The skills and competencies in finance and management accounting among entrepreneurs and their teams are often insufficient, preventing them from presenting in concise and appealing manner their business case to potential investors and financiers. Thus human resources development (in investment and strategic planning) and training in financial management are key prerequisites for achieving better access to finance in the SMEs sector.

Access to markets and internationalisation

A tangible growth in Bulgarian exports is observed during the past decade within economic activities related to manufacturing and services. Furthermore, there are recent indications that the manufacturing sector is

⁶⁰ Results from the 2019 – 2020 PwC SMEs survey conducted for the purposes of the current analysis.

becoming the most significant in determining the overall exports' level for the country.⁶¹ Export of goods and services grew by 144.9% for the period 2009 - 2018, affected by improvements in competitiveness of Bulgarian companies and positive economic developments.⁶²

At present, 26.0% of surveyed Bulgarian SMEs are exporting and 26.2% are importing goods and services, whereas smaller enterprises export considerably less compared to bigger ones. More than half of the SMEs (55.2%) assess their exports to be with low (or rather low) value added.⁶³

The share of SMEs with very low level of internationalisation activity has dropped from 94.5% in 2011 to 66.9% in 2020; still, **microenterprises tend to be considerably less internationalised** than bigger ones.⁶⁴ On average, one in five SMEs has participated in international trade fairs and exhibitions during 2019 and about one third are undertaking internationalisation-related activities, with adoption of foreign practices, technologies and international standards being the most popular.

Among the **main barriers to SMEs internationalisation**⁶⁵ are high cost of getting access to foreign markets, problems of insufficient financial resources, difficulties with access to information, lack of support from public institutions and obstacles associated with transport infrastructure and arrangements. These lead to relatively low and declining levels of participation in international trade exhibitions and fairs. Therefore a trigger for wider SMEs internationalisation could be **extensive export promotion policy**, including provision of adequate and up-to-date information about foreign markets, effective support for participation in international trade events, establishment of specialised web portals for promoting products and services of Bulgarian enterprises and promotion of e-commerce among smaller SMEs (including measures for raising levels of quality and security of e-trade services).

Export capacity of Bulgarian SMEs is also **affected by key internal factors**. The low level of labour productivity results from the outdated machines and technologies and impacts overall competitiveness. So does the deficit in relevant skills and competences, preventing business growth and market expansion. Since every enterprise in Bulgaria is competing with all EU 28 SMEs both on domestic and European markets, these internal factors are of an increasing importance for the SMEs sector development.⁶⁶ Further technological enhancement,

⁶¹ Based on OECD's 2015 value-added data base (TiVA).

⁶² Official Website of the National Statistical Institute.[online] Available at: < [https:// nsi.bg/](https://nsi.bg/)>.

⁶³ Presented data on SMEs is based on the results from 2019 – 2020 PwC SMEs survey conducted for the purposes of the current analysis.

⁶⁴ For the purposes of this analysis, the index *Internationalisation* has been used to measure the overall level of internationalisation activities and their dynamics. The index is based on the methodology applied in 2011, 2012 and 2013 BSMEPA SMEs Analysis.

⁶⁵ European Commission, EIM Business & Policy Research, 2010. *Internationalisation of European SMEs*. Brussels: DG Enterprise and Industry.

⁶⁶ These conclusions are based on findings of the qualitative survey conducted for the purposes of the present analysis (series of regional in-depth interviews with SME representatives).

digitalisation, development of new products and upskilling of human resources are key determinants of successful access to markets, especially in the case of micro- and small enterprises

Most reported **issues⁶⁷ related to the domestic market** include limited participation in public procurement, relatively low-income levels (especially in the less developed regions), aging consumers with even lower incomes, underdeveloped road infrastructure and transport services, lack of rule of law on local level and presence of unregistered economy, etc. Some of these obstacles could be addressed through adequate policies in the short run, some require a long-term strategy. Nevertheless, the most relevant for the policymaking related to the SME sector are the interventions aimed at **higher level of participation in public procurement**. SMEs would benefit from well-popularised single point of information for public procurement procedures and online training on successful application.

Digitalisation

Over the last decade an **overall improvement in the ICT usage** among SMEs was observed. Still, at present 13.7% of the enterprises have a rather high or very high level of ICT activity, whereas smaller enterprises remain with relatively lower level of ICT usage compared to larger ones.⁶⁸

The perceptions of entrepreneurs about digitalisation are evolving – from just having a website to e-commerce applications, ERP systems, automation and AI based solutions. The most frequently used are information security systems⁶⁹ (43.7%), accounting management systems (43.3%) and warehouse, product and inventory management systems (36.4%). Nevertheless, the usage of automated control systems is at rather low levels and only 12-15% of the SMEs indicate that they use other types of automated systems (CRM, HRM, SCM, ERP, etc.).⁷⁰

SMEs face a range of barriers in adopting ICTs and other digital technologies⁷¹: limited human and organisational capital, insufficient digital and technology skills, lack of resources to train the necessary ICT-operating workers, lack of know-how about advanced ICTs, lack of trust in the digital economy, etc. Other barriers to SMEs digitalisation include security and privacy concerns as well as associated costs combined with limited financial resources.

There seems to be **insufficient understanding of the essence and benefits of digitalisation** and implementation of latest technologies among SMEs. This leads to inability to articulate a clear business case

⁶⁷ Based on the findings from 2019-2020 PwC SMEs survey.

⁶⁸ For the purposes of this analysis, the index *ICT* has been used to measure the level of the overall ICT activity and their dynamics. The index is based on the methodology applied in 2011, 2012 and 2013 BSMEPA SMEs Analysis.

⁶⁹ Mostly firewall and backup archives.

⁷⁰ 2019 – 2020 PwC SMEs survey conducted for the purposes of the current analysis.

⁷¹ OECD, 2017. *Key Issues For Digital Transformation In The G20*. Berlin: OECD.

that takes into account the costs of digitising but also the relevant gains related to productivity, savings, enhances quality of operations and new business opportunities. Consequently, there is a need to raise the awareness among entrepreneurs and managers about the positive impact that implementation of digital technologies and solutions may bring, including by **sharing success stories and good practices**. An added perspective on related risks and mitigation strategies, including in cyber-security and data privacy, would **strengthen the level of confidence and trust** that is needed to stimulate action. Finally, there should be accessible training options targeted at the digital upskilling of SMEs and raising the level of relevant human resource capacity within the SME organisations in order to narrow the identified skills gap.

Skills

During the period 2011-2020, Bulgarian **microenterprises** indicate a slight **improvement** in HRD activities, while **small and medium enterprises have marked a slowdown**. At present certain polarisation in the SMEs sector with respect to HRD is observed⁷², whereas 51.5% report very low or rather low level and 27.9% report rather high or very high level of HRD activities.

In 2019 less than half of the SME managers and employees (48.7%) have participated in in-house trainings. External specialised professional trainings have been provided by 38.1% of the enterprises, 22.9% report the delivery of external specialised management and sales trainings and ICT application trainings have been organised by only 16.2% of the enterprises.⁷³

To a certain extent the SMEs view regarding negative labour market trends is inconsistent with their approach to HRD. On one hand, entrepreneurs point out the major problem of labour and skills shortages. On the other hand, 70.2% of them consider the level of qualification of their employees good enough, which means they **do not consider training and upskilling as a priority**. When it comes to benefits from training initiatives, only such related to core company-specific activities has been singled out as valuable by slightly over half of the SMEs. Other fields of potential training such as in foreign languages, ICT skills, marketing and sales, including exports, are considered as useful by less than a half of the SMEs.

These attitudes may further explain the observed **very low levels of professional trainings**, life-long learning and other SMEs training activities in Bulgaria compared to EU-28. This discrepancy leads to further deterioration of skills shortages and lack of qualified specialists, turning into a major barrier for SMEs sector development. A key determinant affecting is also the **lack of adequate and objective assessment** regarding the current and needed level of specific skills and competences, that would allow Bulgarian entrepreneurs to increase their awareness of the actual gap and implement adequate HRD strategies based on accurate

⁷² For the purposes of this analysis, the index *HRD* has been used to measure the level of the overall HRD activity and their dynamics. The index is based on the methodology applied in 2011, 2012 and 2013 BSMEPA SMEs Analysis.

⁷³ 2019 – 2020 PwC SMEs survey conducted for the purposes of the current analysis.

information. One solution would be the availability of online tools for self-assessment, which would contribute to more objectivity in perceptions regarding the level of development of particular skills and competences in SMEs.

Other barriers relate to **financial and time constraints in SMEs with respect to training** of managers and employees. The enterprises have insufficient funds to provide for quality trainings, which is especially valid for highly specialised training abroad (typically the only option for advanced upskilling). Entrepreneurs also experience problems to re-schedule business activities and adjust to training programmes.⁷⁴ There is a considerable potential in using online training platforms to improve the qualification of SME managers and employees at moderate and affordable cost and with minimum disruption to the work process.

Finally, another important factor that could considerably impact the effect from upskilling efforts is the development and usage of a **system for validation of professional skills and competences at national level**. Professional certificates issued by an official authority, responsible for the quality and relevance of the validation procedures, would help managers in the decision-making process when it comes to recruitment and investments in training and education.

Innovations and technological development

According to the European Innovation Index (Innovation Union Scoreboard) for 2019, Bulgaria remains at the penultimate place in the EU-28, continuing to be a modest innovator. The 2019 SBA Factsheet also indicates that **Bulgarian SMEs lag far behind their EU peers** in introducing process, marketing or organisational innovations, whether innovating in-house or in collaboration with others. According to the EIB 2019 Investment Survey only 22% of SMEs claim to be undertaking some form of innovation activity, and only 10% are active innovators. They allocate significantly lower resources to intangibles such as R&D and software, data, IT and website activities than enterprises EU-wide.

One of the main obstacles to SMEs' innovation activities is the **lack of developed innovation infrastructure, skills and funding**, especially in the case of smaller enterprises. Their limited ability to finance innovation internally and to participate in joint initiatives with academic institutions slows down the improving of competitiveness of Bulgarian SMEs, because in turn, this leads to difficulties in the access to up-to-date knowledge, as well as in the usage of modern technologies for the R&D process (including digital solutions, AI, etc.).

Another main barrier appears to be the lack of qualified staff employed for R&D activities, in particular the

⁷⁴ Based on findings of the qualitative survey conducted for the purposes of the current analysis (series of regional in-depth interviews with SME representatives).

shortage of young researchers to be involved in the SMEs innovation activities⁷⁵. **The issue of insufficient expertise** is further exacerbated by the fact that a very small fraction of SMEs provide specialised trainings related to innovations to their staff. This threatens the SMEs sector modernisation, as well as the development of new products and introduction of new ideas in the long run.

A key factor that could trigger innovations in the SMEs sector is the access to sufficient funding for innovations and patent registrations. This includes activities related to intellectual property as a prerequisite for releasing a new or improved product. There should also be effective stimulation and support for the recruitment of R&D staff and enhancing the innovation capacity and appetite of SMEs.

Better regulation and business environment

Regulatory changes affect SMEs particularly strongly. For that reason, in the EU practice the SME test is part of the regular assessment and the ‘think small first’ principle requires policymakers to take SME interests into account at the early stages of the policy-making process.⁷⁶ At present, **the regulatory framework in Bulgaria is compliant with the SME Test principles**, and the special guidance for doing regulatory impact assessment has been adopted. However, there is **lack of capacity** in the administration to implement it.

Since 2008 **moderate progress** has been achieved in implementing the SBA’s recommendations under the ‘think small first’ principle. The undertaken measures in this respect have mainly focused on reducing administrative burden and simplifying administrative procedures. The systematic efforts to implement the ‘SME Test’ and revise the regulation on regulatory impact assessments show the **willingness of the government to meet the needs of small businesses**. Nevertheless, these efforts have not produced visible results so far. According to recent SMEs survey data⁷⁷, two out of three SMEs report that regulatory regimes and legislation cause difficulties to their business.

A major obstacle in the business environment is the **lack of structured and clear information on issues affecting SMEs**, such as legislative changes or newly introduced regulatory requirements. Recent survey data⁷⁸ show that for seven out of ten SMEs the information provided by the public authorities does not sufficiently support their business. Hence, this is an area that requires improvement via targeted measures. A good example is the online Business Guide for SMEs (developed by the Ministry of Economy), aimed at assisting SMEs in better understanding and complying with most of the regimes and procedures.

This obstacle is related to **another big problem faced by SMEs**, namely the still-to-be-developed e-

⁷⁵ A finding based on the PwC qualitative survey among SMEs.

⁷⁶ Regulation on Scope and Methodology for Implementation of Impact Assessment. Bulgaria. Council of Ministers Decision No. 301/14.11.2016

⁷⁷ 2019 – 2020 PwC SMEs survey conducted for the purposes of the current analysis

⁷⁸ Ibid.

government and e-services in Bulgaria. Although entrepreneurs are reporting progress and attempts by institutions to make a positive difference in the business environment (through the introduction of e-services in some institutions and units), prevailing **expectations are for e-government and e-services to be fully introduced** in order to have a real impact. This would contribute to the improvement of the services provided by the public administration, so that they become more responsive to the needs of SMEs. Additional government efforts are required to achieve minimal administrative burden for businesses. Communication and simplification of rules and procedures are among the measures expected by SMEs.

SMEs and the environment

The recently adopted Green Deal (2019) acknowledges that achieving a climate neutral and circular economy requires the full mobilisation of industry, including SMEs. The **transition to the circular economy is an opportunity** to deploy sustainable and job-intensive economic activities of SMEs, bringing benefits to society and the environment. The renewed waste legislation with new ambitious recycling targets also requires SMEs to act. The EU Plastics Strategy and the Single-use Plastics Directive will additionally influence SMEs' behaviour and adaptation. SMEs are also impacted by the Industrial Emissions Directive, the REACH Regulation and are key actors in activities within the Bioeconomy Strategy and the Blue Bioeconomy Roadmap. They are also expected to be a crucial player in the recently adopted Circular Economy Action Plan, the EU Industrial Strategy and the EU SME Strategy. The emphasis is put on the notion of **competitive sustainability**. While the transition to the circular economy will take a **change in the mindset and significant investments**, it is crucial for increasing the competitiveness of the European economy and making it a global leader.

Bulgarian SMEs have **significant margin for improvement** in numerous sectors. Their performance in waste management is sub-optimal and the potential of new circular economy business models is not being exploited, while representing a huge opportunity for new initiatives and new business ideas. Investment needs in the fields of energy and climate remain significant as Bulgaria is still the most energy-intensive economy in the EU and **the inefficient use of energy is hampering the competitiveness of Bulgarian SMEs**. Though on track to achieve its 2020 renewable energy target, the country is the most GHG emission-intensive economy in the EU. The issue of resource and material efficiency remains relatively underestimated and Bulgaria is one of the countries in the EU with the lowest resource productivity. Improvements in water management and pollution prevention are also to be explored, through the enforcement of existing legislation and boosting the capacity of SMEs to innovate. Cleantech is one of the priority sectors of the Bulgarian Innovation Strategy for Smart Specialisation and **is a way ahead for Bulgarian SMEs to be supported** by entrepreneurial programmes and additional funding.

The preliminary SWOT analysis for Bulgaria on circular economy transition by SMEs demonstrates that the country can build upon its strengths such as transposed EU legislation and parts of the national strategic

framework, adapted to the new policy trends. The threats to a speedy transition are mainly linked to the **perception of environmental measures and action as a cost rather than as an opportunity.**

In order to speed up the transition of Bulgarian SMEs to the circular economy and optimise their potential, a number of actions need to be undertaken by different actors. The process requires **a multi-sector, multi-level governance effort** and besides SMEs it should include national, regional and local authorities, business intermediaries, financial institutions, etc. Authorities should ensure the overall compliance of Bulgaria with its obligations under EU law. Efforts should be made to change SMEs' perception of the circular economy as an important opportunity. It should be possible to frame the overall transition measures in a circular economy roadmap and to make efforts to shift the country from a modest to a moderate eco-innovator. Improving the energy efficiency of Bulgarian SMEs should continue, together with **enhancing their resource and material efficiency.** Opportunities to increase adoption rates of existing EU instruments such as EMAS and ecolabel should be explored. Efforts should be made to integrate the transition to circular economy in the funding priorities of the European Funds.

Regional and local authorities can focus on the territorial aspects of the transition. Business intermediaries and sectoral organisations have an important role to play in supporting SMEs by translating high-level objectives into concrete programmes and actions, acting locally and in individual sectors and value chains. The financial resources needed for the transition require better understanding of the financial sector of circular business models and associated financial specificities.

SMEs will manage the speed of their transition and will be either frontrunners or laggards. This will require **increasing the awareness** of entrepreneurs, management and employees **of the available opportunities**, but also **of the needs to adapt to new market conditions and trends.**

Potential for SMEs sector growth

Benchmarking with other EU peers and convergence gaps regarding key economic sectors

Identified *convergence benchmarks* with EU members with similar economies include Hungary, Portugal, Greece, and Slovakia. Bulgarian SMEs sector specifics as well as its evolution over the last decades (both due to policy factors and exogenous improvement of the business environment) are very similar to processes, through which small enterprises in these four countries have been going through in the past. The set convergence benchmarks mean it is feasible and reasonable to expect that in the forthcoming decade Bulgarian SMEs could further develop and catch up with Hungarian, Portuguese, Greek and Slovak enterprises, provided adequate interventions are undertaken.

Over the period 2008 – 2017 there has been a slow restructuring of Bulgarian SMEs and labour market towards high- and medium-high technology industries and knowledge-intensive services. Nevertheless, the structure of

the Bulgarian economy is lagging behind that of the convergence benchmark countries, and of the EU in general. Convergence gaps⁷⁹ for knowledge-intensive services⁸⁰ are much greater than these for high- and medium-high technology industries. Although the latter industries need to be further advanced, to a certain extent their development is comparable to that of the convergence benchmarks⁸¹. Among the most underperforming economic activities in comparison with the convergence benchmark are the following: architectural and engineering activities; technical testing and analysis, advertising and market research, and scientific research and development.

Sectoral and regional specialisation

In general, SMEs in both the industry and the services sectors are predominantly located in the region of Sofia City. Other relatively more developed regions are Plovdiv, Varna and Blagoevgrad. The regional sectoral concentration of SMEs reveals that **targeted intensive interventions are needed to foster SMEs sector development in all other 24 less developed regions** of the country. Nevertheless, since competitive advantages in the leading regions have already been achieved (particularly in Sofia City), **customised measures to promote further development of high-technology manufacturing industries and knowledge-intensive services**, as well as overall advancement of competitive factors, are also needed.

The regional concentration of high-technology manufacturing industries and knowledge-intensive services **is extremely uneven with two well defined poles** – the Sofia City region, being the imperative leader, and the rest of the country, lagging behind in the number of persons employed, total revenue and turnover per employee in these domains. To a certain extent the regions of Plovdiv and Varna, followed by Burgas and Blagoevgrad, are also relatively better developed in this respect.

The inter-sectoral relations in the Bulgarian economy indicate that there is potential for development of high- and medium-high- technology manufacturing industries and knowledge-intensive services within the different regions. These potentials are determined by the concentration of other economic activities, which are among the top consumers of the high- and medium-high- technology manufacturing industries and knowledge-intensive services. Thus, **the demand-side from the related economic activities** (such as food production, construction, trade, transport, health, education, public administration, financial services, etc.) **could underly and stimulate the development of high-tech and knowledge-intensive activities**.

⁷⁹ Defined as the disparity in the SMEs distribution of Bulgaria on the one hand, and that of a synthetic convergence benchmark economy, on the other hand, in terms of number and percentage of enterprises, as well as number and percentage of employed persons by economic activities (at 2-digit levels, NACE Rev. 2).

⁸⁰ With the exception of ICT related services, which are overperforming in comparison to the convergence benchmark, and recent dynamics indicate for highly likely convergence towards more developed EU member states in the medium run.

⁸¹ With the exception of Manufacture of motor vehicles, trailers and semi-trailers, for which the convergence gap is considerable

Drivers for SMEs creation and growth

Modern drivers for SMEs creation and growth are the access to available global information and knowledge (including such on market standards and marketing opportunities) and the usage of innovative technologies. Participation in a cluster of enterprises can improve the opportunities for SMEs to access such information, to develop skills and competences, and to gain experience in networking with partners and suppliers, with other producers and providers, and with users and consumers. **The use of new technologies** in production, marketing and networking of SMEs (especially those in small villages and towns) **can bring cost-effectiveness and give tools for business networking**. Other key factors for competitiveness which determine the business performance and competitiveness of Bulgarian SMEs over are the access to finance, human resource development, ICT usage and digitalisation, innovations, internationalisation.

Although these factors are partially internal for each enterprise, **improvement in the business environment and provision of policy incentives can contribute significantly** to the development of SMEs competitiveness. The fundamental driver, which interacts with all other factors for competitiveness, is the **digitalisation and skills factor** – the higher the ICT usage and the better HRD, the more innovative, internationalised, financed and active in the field of intellectual property an enterprise is.

SWOT analysis of the SME sector in Bulgaria⁸²

Strengths	Weaknesses
<ul style="list-style-type: none"> • In 2018 the relative number of SMEs is 99,8% of all enterprises. They ensure employment for 75,7% of the total employment in Bulgaria. • In 2018 the value added at factor costs of Bulgarian SMEs was 38.3 billion BGN and represented a share of 65.3% of the total value added in the economy. For the period 2008-2018 a growth by 69.6% was observed, as the highest growth referred to the value added of microenterprises (110.2%). • In 2018 the SMEs revenue grew with 7.05 p.p. up to 205.3 billion BGN with a share of the total revenue for the country of 69.7%. The expenditures for SMEs in 2018 also increased to 192.1 billion BGN. • During the period 2008-2018 there is a gradual and sustainable development in Manufacturing, and a considerable midterm growth of the number of enterprises in the Information and communication and in the Professional, scientific and technical activities. • During the period 2012-2017 there was a positive trend in the number 	<ul style="list-style-type: none"> • In 2018 the regional distribution of SMEs across the country was uneven. The highest number of SMEs was observed in the South-West region (39.5% of all SMEs), while the North-West and the North Central regions were with 7.0% and 8.8% respectively. • During the period 2008-2018 the dynamics of the number of enterprises indicated of deepening of the regional inequalities of the development of SMEs. The highest increase of SMEs was observed in the South-West region (51.5%) and in the North Central region (29.1%), while the lowest increase was observed in the North Central region (0.5%) and the North-West region (3.0%). • At NUTS-3 regional level, in 2018 more than one third (38.5%) of all SMEs with one or more employed persons in all sectors (with the exception of agriculture, trade and transport) were located in Sofia City and close to another third (29.1%) were located in the following four regions: Plovdiv, Varna, Burgas and Blagoevgrad. The remaining

⁸² The SWOT analysis is based on the information and data collected and presented in the Technical report including in-depth analysis of the SMEs in Bulgaria – part of the project “National Strategy for Small and Medium-Sized Enterprises 2021-2027 in Bulgaria”.

<p>of newly born enterprises, varying between 45 and 50 thousand per year, being 48.1 thousand in 2017.</p> <ul style="list-style-type: none"> • In the period 2015 – 2018 there is a positive tendency in the societal attitudes towards entrepreneurship. The percentage of Bulgarian adults considering entrepreneurship as a good career choice has increased from 52.9% in 2015 to 62.6% in 2018. • There are new innovative start-ups in the cleantech sector working in areas of the circular economy. • Registering a business in Bulgaria is relatively easy, the cost of registration and minimum capital requirement are low. There is improved efficiency at the Commercial Register and centralised electronic database for commercial registration, consolidated registration procedures and eliminated registration formalities. • In terms of Access to finance, different types of equity and debt financing are available to SMEs in Bulgaria. In the SBA factsheets, Access to finance is the only principle performing above average and with substantial improvement since 2008. • In addition, there is an overall enhancement in the SMEs competitiveness over the period 2012-2020: the share of SMEs with innovation, internationalisation, ICT and HRD activities have increased. 	<p>35.2% of the SMEs were distributed across the other 23 regions in the country. Thus, every NUTS-2 region (even well-developed ones) includes considerably less developed NUTS-3 level regions.</p> <ul style="list-style-type: none"> • The Bulgarian entrepreneurial ecosystem is still immature. There is concentration of support organisations such as business incubators, science and technology parks and co-working spaces mainly in Sofia, Plovdiv and Varna and weak presence of research institutes and universities in active industrial clusters. • Bulgaria performs below the EU average in total early stage entrepreneurial activity – in 2018 it reached 6.0%, still below the EU average of 7.64%. • SMEs still find difficult and time-consuming the procedures for applying for funding from European and national programmes. • Bulgarian family enterprises, which account for about 30% of all SMEs, are not fully prepared to plan for succession and to manage the succession process. • In 2020, a considerably small percentage of enterprises have easy or very easy access to finance (4.1%), while 64.2% report face difficulties in access to finance⁸³. • In terms of Access to markets, SMEs lack sufficient skills and competences to conduct export market research and relevant financial
--	--

⁸³ According to the 2019 – 2020 PwC SMEs survey

	<p>and information resources.</p> <ul style="list-style-type: none"> • According to the DESI index, Bulgaria scores the lowest levels in integration of digital technology (based on indicators related to business digitalisation, e-commerce, and electronic information sharing) and takes the penultimate place in usage of internet among all EU member states. • SMEs still face challenges due to underdeveloped e-government, especially at regional and local level, lack of information about newly adopted legislation and its implications on SMEs and a difficult communication with different administrative bodies. • The resource efficiency and the energy efficiency of the Bulgarian economy are very low and Bulgaria is last in Europe in terms of eco-innovation performance. • In 2019-2020, only 31.2% of the SMEs used eco-friendly materials and resources. In addition, 28.9% of the SMEs stated that they implement resource efficiency policy⁸⁴.
Opportunities	Threats
<ul style="list-style-type: none"> • Changing entrepreneurial culture and attitudes towards entrepreneurship (and the gradual shift towards positive attitude) would create an encouraging environment for more citizens to undertake 	<ul style="list-style-type: none"> • Bulgaria lags behind in providing market conditions, culture and institutions, human capital formation, digitalisation of both businesses and society, creation of knowledge and networking, which could slow

⁸⁴ According to the 2019 – 2020 PwC SMEs survey

entrepreneurial activity.

- In 2019-2020 almost every third SME identifies itself as an enterprise involved in technological entrepreneurship (31.9%). Roughly one in ten entrepreneurs is considering that he/she is involved in digital entrepreneurship (11.4%). Academic and green types of entrepreneurship are characterised with much lower percentage of 6.5%⁸⁵. There is potential for the uptake of these types of entrepreneurship in the context of transition to a greener, more digital and resilient economy.
- As the least used method of funding was the “equity capital” (used by 4% of the SMEs in Bulgaria vs. over 10% in the EU-28), it could be further encouraged.
- Having 45% of exporting SMEs report that their exports are comprised of high value-added goods indicates the potential in greater access to markets.
- Online exporters to EU represent a considerably small share of enterprises - 3.4%, while the EU average is 8.4%. The share of Bulgarian SMEs selling online is 5.5%, whereas in the EU it is 16.6%, outlining great room for expansion⁸⁶.
- On average, one in five SMEs (19.8%) has participated in international

down the development of SMEs.

- The lack of coaching and mentoring, facilitation of access to networks as services provided by incubators could undermine the performance of SMEs.
- In terms of Access to finance and the lower level of financing, the fear of loan rejection leads to many enterprises not even trying to apply for bank financing.
- SME participants in public tenders are around 21.0% (while the EU average is 32.0%) and the share of SMEs in the total value of public contracts is 32.6% (the EU average is 51.3%).⁸⁷
- Among the main barriers to the internationalisation of SMEs in the EU are the following: high cost of getting access to foreign markets, problems of insufficient financial resources, difficulties with getting access to information, lack of support from public institutions, and obstacles associated with transport infrastructure and arrangements.
- SMEs experience underdeveloped ICT skills of human resources and point that availability of skilled staff has been a long-term barrier for their development.
- The potential of new circular economy business models has not been exploited enough and waste management continues to be a challenge

⁸⁵ According to the 2019 – 2020 PwC SMEs survey

⁸⁶ Please note that the figures do not reflect COVID-19 impact.

⁸⁷ SBA Factsheet 2019

<p>trade fairs and exhibitions during 2019.</p> <ul style="list-style-type: none"> • The National strategic framework creates possibilities for circular economy and for SMEs to develop pilot actions in the area. • As Bulgaria is still behind in its progress towards its 2020 indicative national target for energy efficiency, targeted measures and investments could reveal the huge energy- and resource-saving potential in the industrial, transport and residential sectors. There is potential for SMEs to implement an energy efficiency policy and/or environmental management instruments (such as EMAS or similar). • The proportion of SMEs which produce green products or provide services is still below the EU average, which suggests potential growth in this area and further use of green labels (EU Ecolabel or equivalent). • Addressing SMEs information gaps and needs and introducing strategic planning and market research in SMEs practices would encourage their competitiveness. 	<p>(2019 European Semester Country Report Bulgaria). Bulgarian SMEs perceive environmental measures and action as a cost rather than as an opportunity.</p>
--	---

Annex C

Definitions of indicators

Output indicators

Priority 1: Entrepreneurship

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Elaborated analytical reports about the evolution of the entrepreneurial ecosystem	Available official documents with up-to-date analysis of participants in the entrepreneurial ecosystem; their roles and relationships; presence of shared vision and agenda; coordination and networking, joint activities; generation and communication of information about the participants and the ecosystem; and the links with other European and global entrepreneurial hubs and ecosystems.	Number	MoE	Regular basis	Expert judgment
Number of supported incubators and accelerators	Private sector-led incubators and accelerators possibly operated by internationally recognized networks of accelerators and incubators which will	Number	MoE	Annual	To be further specified based on the envisaged resources

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	transfer best practices from other countries				
Number of supported initiatives to boost entrepreneurship and networking at regional and local level	Events, meetings, conferences, workshops, meet-ups between start-ups and investors and other initiatives to boost entrepreneurship and networking at regional and local level	Number	MoE	Annual	To be further specified based on the envisaged resources
Methodology and set of criteria to recognise active industrial clusters and list of active industrial clusters in Bulgaria	Available official document with methodology and set of criteria to recognise active industrial clusters and annually updated list of active industrial clusters in Bulgaria	Number	MoE	Annual	Compliance with the formulated activity
Elaborated analytical reports about the efficient work of industrial clusters	Available official documents with up-to-date analysis of the existing obstacles hindering the efficient work of industrial clusters (including difficulties concerning the regulatory framework) and formulation of policy measures and/or recommendations for legislation changes to facilitate the formation of industrial clusters and their further recognition by the BSMEPA	Number	MoE	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of awarded entrepreneurial doctoral and post-doctoral students, and entrepreneurial students	Doctoral and post-doctoral students, and students who are founders and owner-managers of a successful new enterprise	Number	MES	Annual	Compliance with the formulated activity
Number of supported structures within Bulgarian higher education institutions	Incubators, accelerators, entrepreneurship centres, and other structures supporting entrepreneurship within Bulgarian higher education institutions engaged in public-private partnerships	Number	MES	Annual	Compliance with the formulated activity
Number of supported Bulgarian higher education institutions	Provision of at least one entrepreneurship course in the curricula in STEM, arts and other fields of study within Bulgarian public higher education institutions	Number	MES	Annual	Compliance with the formulated activity
Number of educational institutions providing career guidance in entrepreneurship and self-employment	Availability of career guidance in entrepreneurship and self-employment for students in the educational institution	Number	MES	Annual	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of supported student entrepreneurs	Students involved in early-stage entrepreneurial activity	Number	MoE	Annual	Compliance with the formulated activity
Number of teachers who participated in training and continuing professional development activities.	Teachers who participated in training and continuing professional development in the field of entrepreneurship	Number	MES	Annual	Compliance with the formulated activity
Number of supported extracurricular activities in the field of entrepreneurship	Entrepreneurial clubs, hackathons, summer schools, entrepreneurship seminars and conferences, mentorship programs, entrepreneurial idea/ business plan competitions, guest lectures, and other high quality extracurricular activities in the field of entrepreneurship	Number	MES	Annual	Compliance with the formulated activity
Elaborated analytical reports about individual and societal outcomes and impact of entrepreneurship education at all education levels and in	Available official documents with up-to-date analysis of individual and societal outcomes and impact of entrepreneurship education at all education levels and in all fields of study	Number	MES	Annual	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
all fields of study.					
Elaborated analytical reports on the existing administrative barriers to starting a business	Available official documents with up-to-date analysis of the existing administrative barriers to starting a business	Number	MoE	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Elaborated analytical reports about the regulatory complexity and excessively restrictive licensing requirements in relation to entry by new firms and fair competition	Available official documents with up-to-date analysis of the regulatory complexity and excessively restrictive licensing requirements in relation to entry by new firms and fair competition	Number	MoE	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Number of Unique Website Visitors (of the relevant internet pages)	A metric that counts the number of distinct users visiting a page or multiple pages on all websites included in the digital platform, in a given time interval, regardless of how often they requested those pages	Number	The content management system and administrator panel of the relevant websites	The information is available at any time – to be measured on annual basis	Expert judgment (based on previous experience with similar web-based information tools)
Number of supported	Start-ups and SMEs seeking growth in	Number	MES	Annual	Compliance with the

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
SMEs seeking growth in international markets.	international markets supported by provision of information, training, consulting, mentoring services and other non-financial support schemes related to internationalization				formulated activity
Number of supported SMEs to use consulting and training services.	Start-ups and scale-ups which used consulting and training services.	Number	MES	Annual	Compliance with the formulated activity
Number of supported family businesses.	Family businesses which have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of entrepreneurs and self-employed persons in social inclusion target group (women, youth, seniors, unemployed, immigrants) who received financial support	Entrepreneurs and self-employed persons in social inclusion target group (women, youth, seniors, unemployed, immigrants, etc.), who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of supported entrepreneurs and self-employed persons in social inclusion target group (women, youth, seniors, unemployed, immigrants) for use of training, legal, consulting and mentoring services	Entrepreneurs and self-employed persons in social inclusion target group (women, youth, seniors, unemployed, immigrants, etc.), who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of supported social entrepreneurs	Social entrepreneurs who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of provided tech due diligence services	High tech start-ups which have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of supported start-ups	High technology, innovation-driven and knowledge-based entrepreneurs and new small ventures which have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of SMEs	SMEs which have successfully participated	Number	MoE	Annual	To be further specified

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
supported for intellectual property registration	in the policy intervention				based on the envisaged resources
Number of entrepreneurs in rural areas who participated in training and consulting services	Entrepreneurs in rural areas who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of entrepreneurs in rural areas who received financial support	Entrepreneurs in rural areas who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of entrepreneurs in the planning regions who received financial support	Entrepreneurs in the planning regions who have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of supported clusters	Clusters which have successfully participated in the policy intervention	Number	MoE	Annual	To be further specified based on the envisaged resources
Number of training and promotion	Training and promotion activities introducing EC/OECD Better	Number	MoE	Annual	To be further specified based on the envisaged

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
activities introducing EC/OECD Better Entrepreneurship Policy Tool	Entrepreneurship Policy Tool to local and regional authorities				resources

Priority 2: Access to markets

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of Unique Website Visitors (of the digital platform)	A metric that counts the number of distinct users visiting a page or multiple pages on all websites included in the digital platform, in a given time interval, regardless of how often they requested those pages	Number	The content management system and administrator panel of the relevant websites	The information is available at any time – to be measured on annual basis	Expert judgment (based on previous experience with similar web-based information tools)
Elaborated annual operational time plans and annual reports on their execution	Available official documents with elaborated annual operational time plans and annual reports on their execution	Number	BSMEPA	Annual	Compliance with the formulated activity
Number of SMEs supported to participate in domestic, cross-border and international trade-related events in Bulgaria	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Number of SMEs supported to participate in trade-related events abroad	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of business organisations supported to participate in trade-related events	Business organisations which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Number of SMEs participating in the information campaign	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Number of supported SMEs (to develop and prepare innovative promotion materials)	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Developed tool – export potential scorecard for SMEs	Export potential scorecard – based on individual survey and NSI data, web-based working automated system for computing export potential score at enterprise level	Number	BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity
Number of SMEs which have used the export potential scorecard tool	SMEs which have successfully used the tool to assess their export potential score	Number	The content management system and administrator panel of the relevant website	The information is available at any time – to be measured on annual basis	Expert assumption

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of supported SMEs with combined measures	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Elaborated report with identified export potentials	Available official documents with assessment of international trade potentials for the Bulgarian economy, and identification of key foreign markets with highest potential for development (macroeconomic analysis, trade policy analysis based on the WTO practice, GVC analysis, etc.) in the digital platform of the Export Hub Bulgaria	Number	MoE	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Elaborated analytical reports with up-to-date analysis of key potential export markets	Available official documents with up-to-date analysis of key potential export markets (identified through the regular assessment of international trade potentials) in the digital platform of the Export Hub Bulgaria	Number	BSMEPA	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Elaborated analytical reports with specific analysis on specific goods and services	Available official documents with up-to-date analysis of key potential export markets (identified through the regular assessment of international trade potentials)	Number	MoE	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	in the digital platform of the Export Hub Bulgaria				
Elaborated training needs assessment reports	Available official documents with trainings needs assessment in the digital platform of the Export Hub Bulgaria	Number	BSMEPA	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Elaborated analytical reports on the existing administrative barriers	Available official documents with trainings needs assessment in the digital platform of the Export Hub Bulgaria	Number	BSMEPA	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Developed e-commerce platforms for SMEs in key economic sectors	e-commerce platform – enables SMEs in the identified key economic sectors to alleviate their access to markets, to help them expand their markets, to meet SMEs customers' demands, and to provide the flexibility and adaptability needed by SMEs to keep up with the pace of business, reduce operational costs, increase efficiencies and eliminate the burden of managing hardware and software	Number	BSMEPA	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Number of SMEs	SMEs which have registered in the e-	Number	The content	Regular basis	Compliance with the

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
which have registered in the e-commerce platforms	commerce platforms, have developed their profiles in the platforms, have registered at least one product to be sold on the platforms		management system and administrator panel of the e-commerce platforms	(at the end of 2024 and at the end of 2027)	formulated activity
Number of supported SMEs to implement e-commerce solutions	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Elaborated analytical reports on e-commerce logistics needs	Available official analytical reports on e-commerce logistics needs	Number	BSMEPA	Regular basis (at the end of 2024 and at the end of 2027)	Compliance with the formulated activity
Number of supported SMEs to adopt analytical solutions	SMEs which have adopted analytical solutions (including such based on big data, automation and AI based solutions, etc.) to support benefit the most from e-commerce application, in collaboration with specialised SMEs which will provide their services in developing, customising and implementing these solutions	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources
Number of Unique Website Visitors (of	A metric that counts the number of distinct users visiting a page or multiple pages on	Number	The content management system	The information is available at any	Expert judgment (based on previous

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
the relevant internet pages promoting small business-related standards and certification)	all websites included in the digital platform, in a given time interval, regardless of how often they requested those pages		and administrator panel of the relevant websites	time – to be measured on annual basis	experience with similar web-based information tools)
Number of supported SMEs to adopt international standards	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	To be further specified based on the envisaged resources

Priority 3: Access to finance

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Total amount to be available to SMEs through different vehicles	Total amount committed for financing of SMEs through specific instruments, made available through signing of official agreements.	Number	Holding Fund	Regular basis (at the end of 2024 and at the end of 2027)	Combination of: Historical data Compliance with the formulated activity Expert judgement To be further specified based on the envisaged resources
Share of total vehicles' amount distributed to SMEs	Share of total amount committed for financing of SMEs through specific instruments, made available through signing of official agreements that has been committed for investment to SMEs.	Number	Holding Fund	Annual	Expert judgement
Elaborated feasibility Study report and Action plan	Feasibility Study Report – the result of a feasibility study made based on best international standards and practices for this type of research and documents, aiming at clear definition of the concept, risk assessment, project viability assessment.	Number	BSMEPA	Once, when it is developed	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of publicly listed SMEs on BEAM	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	Combination of: Historical data Expert judgement
Number of supported SMEs	SMEs which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	Combination of: Historical data Expert judgement
Number of supported microenterprises	Microenterprises which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	Combination of: Historical data Expert judgement
Setting up fully operational database	Structured database modeled as per the best industry standards and practices, including through readily available software solutions, aiming at facilitating the policy, ensuring availability of continuous and regular data update, smooth maintenance and administration.	Number	BSMEPA	Once, when it is developed	Compliance with the formulated activity
Number of Unique Website Visitors (of the database)	A metric that counts the number of distinct users visiting a page or multiple pages on all websites included in the digital	Number	The content management system and administrator	The information is available at any time – to be	Expert judgment (based on previous experience with similar

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	platform, in a given time interval, regardless of how often they requested those pages		panel of the relevant websites	measured on annual basis	web-based information tools)
Setting up standardised Application Form	Standardised Application Form – enables SMEs to alleviate their access to finance, to help them streamline as much as possible the information they need to prepare and present for initial screening of their eligibility to any financial instrument, to enable them to reduce application costs, and eliminate the burden of administering clumsy and time consuming financing application processes.	Number	BSMEPA	Once, when it is developed	Compliance with the formulated activity
Setting up glossary	By combining available industry and market information and expertise define the terms that are widely used in specifying financial instruments and financing application processes.	Number	BSMEPA	Once, when it is developed	Compliance with the formulated activity
Share of attracted private capital of total venture capital financial instruments	Share of private investors which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	Combination of: Historical data Expert judgement

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Sign agreement with EIF about European Angels Fund	Initiation of discussions, conducting negotiations and signing agreement with EIF in order to make Bulgaria part of the countries eligible to participate in the European Angels Fund	Number	BSMEPA	Once, when it is developed	Compliance with the formulated activity
Number of Institutional Investors participating in these financial instruments (venture capital and private equity)	Number of Institutional Investors which have successfully participated in the policy intervention	Number	PCIE BSMEPA	Annual	Combination of: Historical data Expert judgement

Priority 4: Digitalisation and skills

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of SMEs owners and managers reached through each of the campaigns	A metric that counts the number of owners and managers reached through the awareness-raising campaigns	Number	Lists of reached SME owners and managers from the campaigns	Measured yearly at campaign basis	Expert judgment
Developed National Portal	A metric that counts the number of distinct users visiting a page or multiple pages on all websites included in the digital platform, in a given time interval, regardless of how often they requested those pages	Number	The content management system and administrator panel of the relevant websites	The information is available at any time – to be measured on annual basis	Expert judgment (based on previous experience with similar web-based information tools)
Support for ICT adoption	A composite measure of average % of used information mgmt. systems, online sales, e-payments, online billing systems, information security systems, and specialised software packages	Average percentage	BSMEPA survey	Regular basis 2024, and 2027	Expert judgment on the base of already conducted survey's results
Support for purchase of ICT equipment	Amount of assured and distributed financial resources under schemes from national and EC programmes used to support the SMEs in their digitalisation efforts	Monetary terms	BSMEPA PCIE	Annual basis	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Support for digital transformation	Number (%) of supported SMEs in the process of their digital transformation through established mechanisms (vouchers, funding schemes)	Number/percentage	BSMEPA PCIE	Annually	To be further specified based on the envisaged resources
SMEs employing ICT specialists	Incentives for hiring/employment of ICT specialists, needed for working with the enumerated above digital solutions in the respective SMEs	Percentage of SMEs	BSMEPA,	Regular basis (at the end of 2024 and at the end of 2027)	Expert judgement
SMEs using European Digital Innovation Hubs (EDIH)	Support for SMEs to use Digital Innovation Hubs through vouchers, reimbursement or other funding schemes	Percentage of SMEs	BSMEPA PCIE	Regular basis (at the end of 2024 and at the end of 2027)	Expert judgement
Regular training needs assessments	Conducting regular training needs assessments for precise identification of target groups for training and their specific needs	Percentage of comprised target groups	BSMEPA OPHRD	Regular basis, as specified for the activity	Expert judgement
Digital solutions in training needs assessment	Employed digital/online applications and analytical solutions in training needs assessment in all professional fields	Percentage of professional domains	BSMEPA	Regular basis (end of 2024 and end of 2027)	Expert judgement

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Development of training courses	Development of training courses in different fields of SMEs operations	Number	BSMEPA	Regular basis, as specified for the activity	To be further specified based on the envisaged resources
Provided ICT training to SME personnel	Provision of trainings in the field of ICT applications: continuous online trainings on basic skills and regular teacher-assisted online and on-site trainings on more advanced skills	Number of trainings	BSMEPA, OPHRD	Regular basis, as specified for the activity	To be further specified based on the envisaged resources
Attracted STEM personnel to SMEs	Support for employment in SMEs of human resources in the field of STEM	% of supported SMEs	BSMEPA OPHRD	Regular basis, as specified for the activity	To be further specified based on the envisaged resources
Specialised advanced training to SMEs	Support for SMEs for training staff in advanced specialised trainings in reputable institutions / organisations in the country or abroad	% of supported SMEs	BSMEPA OPHRD	Regular basis, as specified for the activity	To be further specified based on the envisaged resources
Support to SMEs offering work-based and vocational education and training	Support to SMEs to participate in vocational education and training programmes, or at work	% of supported SMEs	BSMEPA, MES, PCIE, OPHRD, OPESSG	Regular basis, as specified for the activity	To be further specified based on the envisaged resources

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Recognition of active SMEs employers in the field of VET	Recognition of active SMEs employers in the field of VET by: 1) establishment and presentation of annual awards for SMEs employers with achievements in the field of VET; 2) introduction of a branding sign/trade mark of VET, outlining all employers, which successfully participate in the VET system; 3) development of bonus points system for SMEs with branding sign/trade mark of VET	Conducting the planned activities	BSMEPA, MES, MoE	According to planned timetable	As specified in the plan for strategy implementation
Support to educational institutions and training centres	Support to educational institutions and training centres to further build their training capacity as well as to develop and provide online based courses (if applicable)	Number of supported institutions and centres	BSMEPA, MES, MoE, NAVET, OPHRD, OPESSG	Regular basis (end of 2024 and end of 2027)	To be further specified based on the envisaged resources
Research on assessment and validation of informal skills	Research producing a list of key skills underlying SMEs competitiveness and business performance in the field of management, business administration, finance and accounting, economics, etc., and development of methodology and testing tools	Conducted research	BSMEPA	2022	By plan

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Web-based tools for assessment and development of e-content	Development of web-based tools and solutions for assessment of the key skills. Development of e-content of online tools to assess the level of key skills and competences	Developed products	BSMEPA	2022, 2023	Expert judgement
National standards, procedures, and certification system for validation of key skills and competences	Development of national standards, procedures, and certification system for validation of key skills and competences	Developed products	BSMEPA	2023	Expert judgement
Promotion of the validation system and the e-learning platform	Promotion of the validation system and the e-learning platform	Conducted activities	BSMEPA	2023	Expert judgement
Development of educational web platform	Development of educational web platform (e-learning platform) and e-content of relevant courses in the fields	Developed systems and products	BSMEPA	2022, 2023	Expert judgement
Development of training courses	Development of online training courses, promotion campaign, conducting of regular trainings	Number	BSMEPA, PCIE, OPHRD	2022, 2023, 2024-2027 – on regular basis	Expert judgement

Priority 5: Better regulation

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
<p>Digital services provided by municipalities</p> <p>Digital services provided by central administrations</p>	<p>provision of administrative services in electronic way and exchange of electronic documents between the administrative authorities</p> <p>services provided by the administrative authorities from distance by electronic means to citizens and organisations</p>	Number	<p>Integrated Informational System for The State Administration</p> <p>Administrative Registry</p> <p>State e-Government Agency</p>	The information is available at any time – to be measured on annual basis	<p>Expert judgment based on data available at Integrated Informational System for The State Administration</p> <p>Administrative Registry</p> <p>Single portal for access to electronic administrative services</p>
<p>Developed online payment options for transfers to public authorities</p>	<p>Any payment option provided by the administrative authorities that includes methods for electronic payments related to the provision of electronic administrative services</p>	Number	<p>State e-Government Agency</p>	The information is available at any time – to be measured on annual basis	<p>Expert judgment based on data available at Integrated Informational System for The State Administration</p> <p>Administrative Registry</p>

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Developed ICT tools for communication and collaboration between different public administrations (G2G)	Tools that facilitate two-way communication between individuals and groups	Number	State e-Government Agency	Once, when it is developed and launched	Compliance with the formulated activity
Developed single point of information for SMEs with relevant content	Tools that facilitate two-way communication between SMEs and between SMEs and public authorities	Number	MoE BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity
SMEs aware of platforms for cooperation between SMEs	Share of SMEs informed of existence of platforms for cooperation between SMEs and where they can be accessed	%	Annual SMEs survey	Annual	Expert judgment
SMEs aware of Business Guide for SMEs	Share of SMEs informed of existence of Business Guide for SMEs and where it can be accessed	%	Annual SMEs survey	Annual	Expert judgment
Regular meetings and discussions with SMEs representative	Meetings organized aiming communication between SMEs and public authorities with memos and protocols systemized	Number	MoE BSMEPA	Annual	Compliance with the formulated activity
Conducted public	Documents announced on strategy.bg	Number	MoE	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
consultations	website aiming to have feedback from SMEs and other stakeholders		BSMEPA		
Policies and actions affecting SMEs monitored and analysed	Conducted review and analysis of legislation regarding SMEs	Number	MoE BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity
Developed methodology how to reduce over-proportional administrative and regulatory burdens on SMEs – in particular small businesses – with a view to establish them as part the procedures to be applied in the legislative proposals	Methodology targeted toward public administration how to reduce over-proportional administrative and regulatory burdens on SMEs – in particular small businesses – with a view to establish them as part the procedures to be applied in the legislative proposals	Number	MoE BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity
Number of regulations affecting SMEs amended	Change in legislation after public consultations and discussions with SMEs	Number	MoE BSMEPA	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Introduced best practices in SME Policy and Entrepreneurship implemented through different initiatives and programs	Models of work and regulations amended in order to introduce best practices in SME Policy and Entrepreneurship	Number	MoE BSMEPA	Annual	Expert judgment
Legislation review and analyses conducted	Conducted review and analysis of legislation regarding SMEs	Number	MoE BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity
Reduced complexity of application procedures concerning European Funds (EF) and national funding	Number of procedures changed	Number	MoE BSMEPA	Once, at the beginning of the programming period	Expert judgment
Information campaign launched	Targeted information provided to inform the audience on the status of public procurement market in Bulgaria among SMEs (analysis and data on procurement procedures (number of public procurements, number of contracting authorities, number of contractors, share of	Number	MoE BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	procurement with European financing, number of public procurements in accordance with the object - delivery of goods, provision of services, construction, number of contracts and value, share of procedures appealed, irregularities observed) and of the rules and procedures of the public procurement market in Bulgaria among SMEs				
Training provided for national and local administrations	Targeted training, tailor made for the purposes of development of skills and competences, as well as knowledge and understanding within Contracting authorities in order to achieve efficient and effective specification of tender documentation, provide for professional evaluation of tender bids, and thus allow for optimal selection of SMEs suppliers	Number	The Public Procurement Agency BSMEPA	Annual	Expert judgment
Web-based training provided for SMEs	Digital training materials developed for the purposes of development of capacity among SMEs for application in public procurement procedures through web-based	Number	The Public Procurement Agency BSMEPA	Once, when it is developed and launched	Compliance with the formulated activity

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	trainings with electronic content				
Public discussion in order to change public perceptions on fear of failure and the degree of support for a second chance	Targeted communication with regard to the fear of failure and the degree of support for a second chance	Number	MoE BSMEPA	Annual	Expert judgment

Priority 6: Environment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
(6.1.1) Support to SMEs to improve energy efficiency	Number of individual SMEs which received support to improve their energy efficiency	Number of SMEs	PCIE Strategy Monitoring FWC	Yearly	To be further specified based on the envisaged resources
(6.1.2) Support to SMEs to improve resource efficiency	Number of individual SMEs which received support to improve their resource efficiency	Number of SMEs	PCIE Strategy Monitoring FWC	Yearly	To be further specified based on the envisaged resources
(6.1.3) Support for SMEs to develop renewable energy sources	Number of SMEs which received support to develop renewable sources of energy	Number of SMEs	PCIE Strategy Monitoring FWC	Yearly	To be further specified based on the envisaged resources
(6.2.1) Support to SMEs to get environmental management system certification	Number of SMEs which received support to go through the process of EMAS certification	Number of SMEs	PCIE Strategy Monitoring FWC	Yearly	To be further specified based on the envisaged resources
(6.2.3) Promotion of sectoral Best Environmental Management Practices	Number of sectoral Best Environmental Management Practices which have been actively promoted	Number of BEMPs Number of	Strategy Monitoring FWC	Yearly	All available BEMPs (11 sectors)

		guidance materials	Ministry of Environment and Water		
(6.2.4) SMEs targeted with specific communication campaign on Corporate Social Responsibility	N of individual SMEs targeted with CSR outreach	Number of targeted SMEs	Strategy Monitoring FWC Ministry of Environment and Water	Yearly	All SMEs
(6.2.4) Economic sectors targeted with specific communication campaign on Corporate Social Responsibility	N of individual sectors among which CSR has been promoted	N of individual sectors Number of supported SMEs	Strategy Monitoring FWC Ministry of Environment and Water	Yearly	All sectors
(6.3.1) Bulgarian and EU priority sectors supported	Number of individual priority sectors supported through trainings, guidance documents, specific sectoral projects, etc.	Number of sectoral trainings Number of sectoral guidance	PCIE Strategy Monitoring FWC	Yearly	All priority sectors from EU strategic documents

		documents			
		Circular business models covered			
(6.3.3) Support for SMEs with regards to bio-based economy	Number of SMEs supported to become integrated in European bio-based economy value chains	Number of SMEs supported Volume of investments in bio-based economies	PCIE Strategy Monitoring FWC NSI	Yearly	To be further specified based on the envisaged resources
(6.3.3) Support for SMEs in blue bioeconomy	Number of SMEs supported to in the sector of blue bioeconomy Number of guidance materials	Number of blue bioeconomy SMEs/start-ups supported	PCIE Strategy Monitoring FWC NSI	Yearly	To be further specified based on the envisaged resources
(6.4.3) Actions on EPR	Number of EPR schemes improved Number of EPR schemes added	Number of individual EPRs	Ministry of Economy Strategy Monitoring FWC	Yearly	Equal to the number of EPRs with a potential for improvement
(6.4.4) Support to SMS to adopt Circular	Individual SMEs and start-ups supported to adopt concrete CBMs	Number of SMEs supported	Ministry of Economy	Yearly	To be further specified based on the envisaged

business models (CBM)		Number of start-ups supported	Strategy Monitoring FWC		resources
(6.4.5) SMEs supported to increase the share of recycled waste in specific sectors	Number of supported SMEs from sectors generating significant amount of waste	N of SMEs	Ministry of Economy Ministry of Environment and Water	Yearly	To be further specified based on the envisaged resources
(6.4.5) Number of lighthouse projects demonstrating the increase of the share of recycled waste in specific sectors	Lighthouse projects launched in sectors like construction and demolition, building renovation, etc.	Number of projects	Strategy Monitoring FWC	Yearly	2
(6.4.6) SMEs and sustainability of raw material in use	Support to SMEs improving the sustainability with analysis of raw material in use	Number of trainings/guidance material, etc. N of SMEs targeted	Ministry of Economy Strategy Monitoring FWC	Yearly	
(6.4.7) Pilot project on industrial symbiosis	Nr of pilot projects on industrial symbiosis as one of the circular business models N of individual IS synergies	Nr of pilot projects N of Industrial Symbiosis	Ministry of Economy Ministry of	Yearly	

		synergies	Environment		
(6.5.1) Support to SMEs aiming to certify products under EU ecolabel	Nr of SMEs supported	Nr of SMEs	Ministry of Economy	Yearly	
(6.5.2) Support to SMEs for a shift to eco-design and circular design	Nr of SMEs supported	Nr of SMEs	Ministry of Economy	Yearly	
(6.5.3) Support to SMEs for substituting fossil-based products with bio-based products	Nr of SMEs supported	Nr of SMEs	Ministry of Economy	Yearly	

COVID-19 SME policy response

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of SMEs which have been supported with financial instruments	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs which have been supported with grants	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs (to alleviate the negative effects from late payments)	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs (for ICT consultancy services)	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources

Number of supported SMEs (for digital infrastructure)	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs (for cyber security)	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs (for specialised software)	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs which have participated in trainings in the field of teleworking and how to use relevant digital tools	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs in the sector of tourism	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual	To be further specified based on the envisaged resources

				basis	
Number of supported SMEs in the sector Transportation and storage	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs in the sector Wholesale and retail trade; repair of motor vehicles and motorcycles	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs in the sector Human health and social work activities	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs in the sector Education	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of supported SMEs in all other sectors for solutions	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be	To be further specified based on the envisaged resources

aimed at health promotion, health protection and disease prevention				measured on annual basis	
Number of SMEs in the arts, entertainment and creative industries which have received grants for adoption of digital technologies	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs in the arts, entertainment and creative industries which have received grants for modernisation	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs in the arts, entertainment and creative industries which have participated in ICT trainings	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs in the arts, entertainment and creative industries which have received	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual	To be further specified based on the envisaged resources

support for e-distribution and e-commerce				basis	
Number of SMEs in the Human health and social work activities which have received grants for modernisation	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources
Number of SMEs in the Human health and social work activities which have participated in ICT trainings	SMEs which have successfully participated in the policy intervention	Number	PCIE	The information is available at any time – to be measured on annual basis	To be further specified based on the envisaged resources

Indicators for result

Priority 1: Entrepreneurship

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Maturity of the entrepreneurial ecosystem	Overall performance of the entrepreneurial ecosystem	Qualitative assessment	BSMEPA / MoE	Regular basis	Expert judgment
Self-perceived capabilities for entrepreneurship	Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who believe they have the required skills and knowledge to start a business	%	BSMEPA / MoE	Regular basis	Expert judgment
Entrepreneurial intentions	Percentage of 18-64 population (individuals involved in any stage of entrepreneurial activity excluded) who are latent entrepreneurs and who intend to start a business within three years	%	European Commission, SBA Fact Sheet Bulgaria	Annual	Expert judgment
Share of start-ups	Percentage of newly born enterprises	%	BSMEPA / MoE	Regular basis	Expert judgment
Share of high growth SME	SMEs with at least 10 employees in the start year of the growth period with average	%	BSMEPA / MoE	Regular basis	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	annualised growth in the number of employees of 10% or more per annum, over a three year period				
Total early stage entrepreneurial activity	Percentage of 18-64 population who are either a nascent entrepreneur (have taken steps to start a new business but have not paid yet salaries or wages for more than three months) or owner-manager of a new business that have been in operation for between 3 months and 42 months	%	European Commission, SBA Fact Sheet Bulgaria	Annual	Expert judgment

Priority 2: Access to markets

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Share of SMEs promoting their produce (goods and services) internationally	SMEs which have participated in at least one international exhibition or a trade fair during the preceding 12 months	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of exporting SMEs	SMEs which have exported their goods and/or services during the preceding 12 months	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs selling online	Percentage of SMEs selling online	%	European Commission, SBA Fact Sheet Bulgaria	Annual	Expert judgment
Share of SMEs with adopted international standards	SMEs which have adopted international standards	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Priority 3: Access to finance

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Net effect on annual revenue increase of supported SMEs	SMEs net revenue Net effect – acquired through application of counterfactual analysis (difference-in-differences, etc.) using treatment group (supported SMEs) and proper control group and based on NSI individual data on <i>profit and loss statements</i> of SMEs	BGN p.p. %	Net impact assessment based on counterfactual analysis	Regular basis (2024 and 2027)	To be specified based on the first effect estimation
Increase in market cap of SMEs listed on BEAM	Market cap is the market value of a publicly traded SMEs shares. BEAM SME Growth Market (BEAM Market) –a Multilateral Trading Facility (MTF), organised by the Bulgarian Stock Exchange AD, stipulated in Article154, in conjunction with Article109, Paragraphs1 and 2, and in compliance with the requirements envisaged in Articles122 and 123 of the Markets in Financial Instruments Act (MFIA) –are aimed at establishing clear and binding rules for all participants in the multilateral trading facility, for legitimate, fair and organised trading and	BGN	Bulgarian Stock Exchange	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	objective order execution criteria.				
Net effect on annual expenditure on fixed capital formation in SMEs	<p>SMEs expenditure on fixed capital formation</p> <p>Net effect – acquired through application of counterfactual analysis (difference-in-differences, etc.) using treatment group (supported SMEs) and proper control group and based on NSI individual data on <i>profit and loss statements</i> of SMEs</p>	<p>BGN</p> <p>p.p.</p> <p>%</p>	Net impact assessment based on counterfactual analysis	Regular basis (2024 and 2027)	To be specified based on the first effect estimation
Share of SMEs with good access to finance	Percentage of SMEs with the Access to Finance index score greater than 40 (SMEs with neither difficult nor easy access to finance, SMEs with easy access to finance, and SMEs with very easy access to finance during the preceding year)	%	SMEs annual survey	Regular basis (2024 and 2027)	To be specified based on ad hoc surveys
Net effect of revenue increase of start-ups	<p>SMEs net revenue</p> <p>Net effect – acquired through application of counterfactual analysis (difference-in-differences, etc.) using treatment group (supported SMEs) and proper control group and based on NSI individual data on <i>profit and loss statements</i> of SMEs</p>	<p>BGN</p> <p>p.p.</p> <p>%</p>	Net impact assessment based on counterfactual analysis	Regular basis (2024 and 2027)	To be specified based on the first effect estimation

Priority 4: Digitalisation and skills

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Average % of ICT applications and systems in place	Average % of 10 Internet services, information management systems, and security systems in place	Percentage	BSMEPA / MoE SMEs annual survey	Regular SME survey (2024 and 2027)	Expert judgment
Integration of Digital Technologies	DESI index for integration of digital technologies for SMEs	Percentage	BSMEPA / MoE DESI annual survey	DESI annual survey	Expert judgment
SME selling and purchasing online	SME selling and purchasing online	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024 and 2027)	Expert judgment
Percentage of all enterprises that train their personnel	Percentage of all enterprises that train their personnel	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024 and 2027)	Expert judgment
Provided ICT training to SME personnel	Provided ICT training to SME personnel	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024 and 2027)	Expert judgment
Attracted STEM personnel to SMEs	Attracted STEM personnel to SMEs	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024, 2027)	Expert judgment
Specialised advanced training to SMEs	Support for SMEs for training staff in advanced specialised trainings in reputable	Percentage	BSMEPA / MoE	Regular SME survey (2024, 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	institutions / organisations in the country or abroad		SME annual survey		
SMEs with obtained professional qualification degrees	SMEs with obtained professional qualification degrees of their personnel with support of strategy's dedicated initiatives	Percentage	BSMEPA SME annual survey	Regular SME survey (2024, 2027)	Expert judgment
Assessment and validation of informal skills	Assessment and validation of informal skills in SMEs due to strategy's dedicated support initiatives	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024, 2027)	Expert judgment
Formal qualification in SMEs	Formal qualification in SMEs due to strategy's dedicated support initiatives	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024, 2027)	Expert judgment
SMEs participating in online trainings	SMEs participating in online trainings due to strategy's dedicated support initiatives	Percentage	BSMEPA / MoE SME annual survey	Regular SME survey (2024, 2027)	Expert judgment

Priority 5: Better regulation

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Share of SMEs which use digital services	SMEs using at least one or more digital administrative services	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs representatives who think that the electronic services provided by government institutions facilitate the operation of the business they manage	Answer to the question: Do you agree or not agree with the statement: the electronic services provided by government institutions facilitate the operation of the business I manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs representatives who think that the electronic services provided by local government institutions	Answer to the question: the electronic services provided by local government institutions facilitate the operation of the business they manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
facilitate the operation of the business they manage					
Administrations with options for online payment in addition to bank transfer payment option	Administrations that have methods for electronic payments related to the provision of electronic administrative services	Number	State e-Government Agency	Regular basis (2024 and 2027)	Expert judgment
Share of the information provided by SMEs to different public administrations to be digital	Number of declarations and reports and inquiries submitted electronically	number	State e-Government Agency	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs using single point of information	SMEs reported that they used the single point of information	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs using platforms for cooperation	SMEs reported that they used platforms for cooperation between	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
between SMEs	SMEs				
Share of SMEs using Business Guide for SMEs	SMEs reported that they used Business Guide for SMEs Number of unique visitors	%	BSMEPA / MoE SMEs annual survey Visitors counter	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs or their associations using platforms for consultation with SMEs	SMEs or their associations reported that they used platforms for consultation with SMEs Number of unique visitors	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs representatives who think that the information and services provided by the Executive Agency for the Promotion of Small and Medium-Sized Enterprises support the activities of the business they	Answer to the question: Do you agree or not agree with the statement: the information and services provided by the Executive Agency for the Promotion of Small and Medium-Sized Enterprises support the activities of the business I manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
manage					
Share of SMEs representatives who think that the information and services provided by other government institutions support the business they manage	Answer to the question: Do you agree or not agree with the statement: the information and services provided by other government institutions support the business I manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs satisfied by the answers of complains and actions taken	Answer to the question: (yes answers) Are you satisfied by the answers you received to your complain(s)?	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs satisfied by the regulatory framework	Answer to the question: (yes answers) Are you satisfied by regulatory framework that concern affect your business?	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Time to start a business (days)	Measures the time for start-up procedures and includes all steps necessary from the entrepreneur's submission of the official application to start the registration procedure until the company is in possession of all the legal permits, certifications and documentation to be fully operational.	Days	DG GROW H.1 http://ec.europa.eu/growth/smes/promoting-entrepreneurship/advice-opportunities/start-up-procedures/index_en.htm	Regular basis (2024 and 2027)	Expert judgment
Cost to start a business (in Euro)	Start-up procedures: The cost of setting up a company include all the fees and costs associated with the procedures enunciated in the previous point plus certificates from third parties that are required for the registration process. It will not include any form of capital that the company may be required to set aside as long as these funds remain in the possession of the future firm.	In EURO	DG GROW H.1 http://ec.europa.eu/growth/smes/promoting-entrepreneurship/advice-opportunities/start-up-procedures/index_en.htm	Regular basis (2024 and 2027)	Expert judgment
Paid-in minimum capital (% of	The paid-in minimum capital requirement reflects the amount	% of income per	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
income per capita)	that the entrepreneur needs to deposit in a bank or with a notary before registration and up to 3 months following incorporation and is recorded as a percentage of the economy's income per capita. The amount is typically specified in the commercial code or the company law. Many economies require minimum capital but allow businesses to pay only a part of it before registration, with the rest to be paid after the first year of operation. In Turkey in June 2014, for example, the minimum capital requirement was 10,000 Turkish liras, of which one-fourth needed to be paid before registration. The paid-in minimum capital recorded for Turkey is therefore 2,500 Turkish liras, or 12.14% of income per capita.	capita			
Time to register	Time is recorded in calendar days. The measure captures the median	days	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
property (in days)	<p>duration that property lawyers, notaries or registry officials indicate is necessary to complete a procedure. It is assumed that the minimum time required for each procedure is 1 day, except for procedures that can be fully completed online, for which the time required is recorded as half a day. Although procedures may take place simultaneously, they cannot start on the same day, again with the exception of procedures that can be fully completed online. It is assumed that the buyer does not waste time and commits to completing each remaining procedure without delay. If a procedure can be accelerated for an additional cost, the fastest legal procedure available and used by the majority of property owners is chosen. If procedures can be undertaken simultaneously, it is</p>				

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	assumed that they are. It is assumed that the parties involved are aware of all requirements and their sequence from the beginning. Time spent on gathering information is not considered.				
Cost to register property (% of property value)	Cost is recorded as a percentage of the property value, assumed to be equivalent to 50 times income per capita. Only official costs required by law are recorded, including fees, transfer taxes, stamp duties and any other payment to the property registry, notaries, public agencies or lawyers. Other taxes, such as capital gains tax or value added tax, are excluded from the cost measure. Both costs borne by the buyer and those borne by the seller are included. If cost estimates differ among sources, the median reported value is used.	% of property value	World Bank Doing Business	Annual	Expert judgment
Payment of taxes	The tax payment indicator reflects	number per year	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
(number per year)	<p>the total number of taxes and contributions paid, the method of payment, the frequency of filing and the number of agencies involved for this standardized case study company during the second year of operation. It includes taxes withheld by the company, such as sales tax, value added tax and employee-borne labor taxes. These taxes are traditionally collected by the company from the consumer or employee on behalf of the tax agencies. Although they do not affect the income statements of the company, they add to the administrative burden of complying with the tax system and so are included in the tax payments measure. The number of payments takes into account electronic filing. Where full electronic filing and payment is allowed and it is used by the majority of medium-sized</p>				

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	businesses, the tax is counted as paid once a year even if filings and payments are more frequent. For payments made through third parties, such as tax on interest paid by a financial institution or fuel tax paid by a fuel distributor, only one payment is included even if payments are more frequent.				
Time to pay taxes (hours per year)	The indicator measures the time taken to prepare, file and pay 3 major types of taxes and contributions: the corporate income tax, value added or sales tax and labor taxes, including payroll taxes and social contributions: the corporate income tax, value added or sales tax, and labor taxes, including payroll taxes and social contributions. Preparation time includes the time to collect all information necessary to compute the tax payable and to calculate the	hours per year	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	<p>amount payable. If separate accounting books must be kept for tax purposes—or separate calculations made—the time associated with these processes is included. This extra time is included only if the regular accounting work is not enough to fulfill the tax accounting requirements. Filing time includes the time to complete all necessary tax return forms and file the relevant returns at the tax authority. Payment time considers the hours needed to make the payment online or in person. Where taxes and contributions are paid in person, the time includes delays while waiting.</p>				
Cost to enforce contracts (% of claim)	<p>Indicators on enforcing contracts measure the efficiency of the judicial system in resolving a commercial dispute. The cost is recorded as a percentage of claim,</p>	% of claim	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	<p>assumed to be equivalent to 200% of income per capita. Three types of costs are recorded: court costs, enforcement costs and average attorney fees. Court costs include all costs that Seller (plaintiff) must advance to the court, regardless of the final cost borne by Seller. Enforcement costs are all costs that Seller (plaintiff) must advance to enforce the judgment through a public sale of Buyer's movable assets, regardless of the final cost borne by Seller. Average attorney fees are the fees that Seller (plaintiff) must advance to a local attorney to represent Seller in the standardized case. Bribes are not taken into account.</p>				
Fast-changing legislation and policies are a problem when doing business (%)	<p>Q1.4 Share of businesses who think that fast-changing legislation and policies are a problem when doing business (% of businesses) Reply 'Total a problem' (Flash</p>	%	Flash Eurobarometer "Businesses' attitudes towards corruption in the EU"	When it is available	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
of businesses who agree with the statement)	Eurobarometer457)				
The complexity of administrative procedures are a problem when doing business (% of businesses who agree with the statement)	Q1.3 Share of businesses who think that the complexity of administrative procedures are a problem when doing business (% of businesses) Reply 'Total a problem' (Flash Eurobarometer457)	%	Flash Eurobarometer "Businesses' attitudes towards corruption in the EU"	When it is available	Expert judgment
SMEs interacting online with public authorities	Use of internet for interaction with public authorities, in the last calendar year before the survey, includes: obtaining information or forms from websites, returning filled in forms, following administrative procedures completely electronically or offering products in public authorities' electronic procurement systems (eTendering). Enterprises with 10 or more	%	Eurostat, Community survey on ICT usage and eCommerce in enterprises	When it is available	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	persons employed, all manufacturing and service sectors, excluding the financial sector. Break in series in 2011 and 2012 because the structure of the question has changed. Breaks in series because until 2008 sectors follow economic activities according to NACE Rev 1.1 and from 2009 data are based on NACE Rev.2. Since 2010 data include also sector S 95.1-Repair of computers and communication equipment.				
Starting a business (number of procedures)	The total number of procedures required to register a firm. A procedure is defined as any interaction of the company founders with external parties (for example, government agencies, lawyers, auditors or notaries).	number of procedures	World Bank Doing Business	Annual	Expert judgment
Burden of government	How burdensome is it for businesses in your country to	Average of answers on 7	Global Competitiveness Report 2018-2019	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
regulation	comply with governmental administrative requirements (e.g. permits, regulations, reporting)? 1=extremely burdensome; 7=not burdensome at all; weighted average 2012-2013 original source: World Economic Forum; Executive Opinion Survey; www.weforum.org/gcr	point scale			
New firms' access to required permits and licenses	New firms can get most of the required permits and licenses in about a week (Likert scale 1-5) The responses to the items follow a five-point Likert scale, where 1 means the statement is completely false according to the expert and 5 means the statement is completely true.	Number	National Expert Survey (NES) of the Global Entrepreneurship Monitor (GEM)	Annual	Expert judgment
Perception of the government agencies as competent and effective in	The people working for government agencies are competent and effective in supporting new and growing firms (Likert scale 1-5) The responses to	Number	National Expert Survey (NES) of the Global Entrepreneurship Monitor (GEM)	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
supporting new and growing firms	the items follow a five-point Likert scale, where 1 means the statement is completely false according to the expert and 5 means the statement is completely true.				
Share of SMEs representatives cooperating with foreign partners and clients	Answers to the question: Do you have foreign partners and clients?	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Number of regulations amended	Changes in law as result of SMEs review and analysis	number	BSMEPA / MoE		
Share of SMEs representatives who think that regulatory regimes and legislation make it difficult for the business they manage	Answer to the question: Do you agree or not agree with the statement: the regulatory regimes and legislation make it difficult for the business I manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Share of SMEs representatives who think that administrative procedures and bureaucracy impede the activities of the business they manage	Answer to the question: Do you agree or not agree with the statement: the administrative procedures and bureaucracy impede the activities of the business I manage	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Number of best practices introduced	Implemented best practices in procedures and models of work of Bulgarian public authorities	Number	BSMEPA / MoE		
Number of Regulatory Impact Assessments conducted	Regulatory Impact Assessments conducted as result of implementation of Think Small first principle	Number	BSMEPA / MoE	Regular basis (2024 and 2027)	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Number of regulations amended	Amendments in national legislation as result of Think Small first principle	Number	BSMEPA / MoE	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs satisfied by the application procedures concerning European Funds (EF) and national funding among those who applied	Answer to the question: Are you satisfied by the application procedures concerning European Funds (EF) and national funding among those who applied for financing	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs aware of public procurement market in Bulgaria	Answer to the question: Do you have enough information for public procurement market in Bulgaria	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Staff trained	Staff trained for development of skills and competences, as well as knowledge and understanding within Contracting authorities in	number	The Public Procurement Agency		

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	order to achieve efficient and effective specification of tender documentation, provide for professional evaluation of tender bids, and thus allow for optimal selection of SMEs suppliers				
SMEs representatives downloaded web-based trainings with electronic content	Unique visits	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Share of SMEs participating in public procurement	Answer to the question: Did you participate in public procurement in the last year	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Time for liquidation	The indicator measures the time for closing business	Years	World Bank Doing Business	Annual	Expert judgment
Fear of Failure Rate	Percentage of 18-64 population with positive perceived	%	Source: Global Entrepreneurship Report	Regular basis	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	opportunities who indicate that fear of failure would prevent them from setting up a business			(2024 and 2027)	
Share of companies having any outstanding accounts receivable	Answers to the question: Does the company currently have any outstanding accounts receivable?	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment
Time to resolve insolvency	The indicator measures the time needed by creditors to recover their credit and is recorded in calendar years. The period of time is from the company's default until the payment of some or all of the money owed to the bank. Potential delay tactics by the parties such as the filing of dilatory appeals or requests for extension are taken into consideration. The data are collected from questionnaire responses by local insolvency practitioners and verified through a study of laws and regulations as well as public information on	Years	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	bankruptcy systems.				
Cost to resolve insolvency (% of the debtor's estate)	The cost of the proceedings is recorded as a percentage of the value of the debtor's estate. The cost is calculated on the basis of the survey responses and includes court fees and government levies; fees of insolvency administrators, auctioneers, assessors and lawyers; and all the other fees and costs.	% of the debtor's estate	World Bank Doing Business	Annual	Expert judgment
Degree of support for allowing for a second chance	Q21.5 Do you totally agree, tend to agree, tend to disagree or totally disagree with the following statements? People who have started their own business and have failed should be given a second chance (share of respondents)	Average of answers	Flash Eurobarometer on Entrepreneurship	When it is available	Expert judgment
Strength of insolvency framework index (0-16)	The strength of insolvency framework index is the sum of the scores of 4 underlying indices: 1) the commencement of proceedings	Index points	World Bank Doing Business	Annual	Expert judgment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	index, 2) management of debtor's assets index, 3) reorganization proceedings index and 4) creditor participation index. The index ranges from 0 to 16, with higher values indicating insolvency legislation that is better designed for rehabilitating viable firms and liquidating nonviable ones.				
Share of SMEs which businesses are supported by the information provided by public institutions	Percentage of SMEs which have stated that in the preceding year the information and services provided by the BSMEPA support the activities of their business	%	BSMEPA / MoE SMEs annual survey	Regular basis (2024 and 2027)	Expert judgment

Priority 6: Environment

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
6.2.2 Lighthouse EMAS projects	Number of lighthouse EMAS projects in different sectors	Number of projects per sector	Strategy Monitoring FWC	Yearly	Several ones, to be further specified based on the envisaged resources
6.2.3 SMEs and Best Environmental Management Practices	Number of SMEs which have received trainings on Best Environmental Management Practices	Number of supported SMEs	Strategy Monitoring FWC MOEW	Yearly	To be further specified based on the envisaged resources
6.3.2 Programme for reduction of plastics within SMEs (mainly packaging)	Availability or not of a programme N of SMEs targeted through the programme/campaigns	N of SMEs	MoE Strategy Monitoring FWC	Yearly	One horizontal or several sectoral ones
6.4.2 Circular Economy Capacity building to SMEs	Targeted at different sectors, sizes of SMEs, value chains, etc.	N of trainings/sectoral guidelines, etc. on: circular economy concepts, making value chains more circular, CBM (by sector, national,	MoE Strategy Monitoring FWC	Yearly	To be further specified based on the envisaged resources As a function of the number of priority sectors

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
		regional, city-level)			

COVID-19 SME policy response

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
Business performance of supported SMEs (net revenue, fixed capital expenditure, number of persons employed)	SMEs net revenue SMEs expenditure on fixed capital Number of persons employed in SMEs	BGN BGN Number	NSI	Annual	To be specified based on ad hoc surveys
Share of SMEs using telework	SMEs which can use and use telework regularly as well as in state of emergency	%	NSI / SMEs annual survey	Regular basis (2024 and 2027)	To be specified based on ad hoc surveys
Share of SMEs which have adopted new solutions for health promotion, health protection and disease prevention	Percentage of SMEs which have adopted new solutions for health promotion, health protection and disease prevention in order to provide for healthy workplace and environment, which enables the employees in key for the economy sectors like tourism,	%	SMEs annual survey	Regular basis (2024 and 2027)	To be specified based on ad hoc surveys

Indicator	Definition	Unit of measurement	Source	Frequency	Method used for setting the target values
	transportation and storage, trade, health, and education to perform their jobs and communicate with clients, patients and students in a safe way.				
Share of SMEs in the Arts, entertainment and creative industries which use digital technologies	Percentage of SMEs in the Arts, entertainment and creative industries which use digital technologies	%	SMEs annual survey	Regular basis (2024 and 2027)	To be specified based on ad hoc surveys
Share of SMEs in the Human health and social work activities which use digital technologies	Percentage of SMEs in the Human health and social work activities which use digital technologies	%	SMEs annual survey	Regular basis (2024 and 2027)	To be specified based on ad hoc surveys

Vocabulary of specific terminology

2019-2020 PwC SMEs survey	Quantitative and qualitative surveys conducted in the period November 2019 - January 2020 for the purposes of the current analysis.
Best Environment Management Practices (BEMPs)	Documents produced by the Joint Research Centre (JRC) of the EC for different sectors together with Sectoral Reference Documents (SRDs)
Bio-based products	Products wholly or partly derived from materials of biological origin, excluding materials embedded in geological formations and/or fossilised
Bioeconomy	The bioeconomy comprises those parts of the economy that use renewable biological resources from land and sea - such as crops, forests, fish, animals and micro-organisms - to produce food, materials and energy.
Bioeconomy/Bio-based economy	Sector of the economy using renewable biological resources from land and sea - such as crops, forests, fish, animals and micro-organisms - to produce food, materials and energy
Bio-refinery	An integrated production plant using biomass or biomass-derived feedstocks to produce a range of value-added products and energy
Blue bioeconomy	The blue bioeconomy is a field of innovation, turning aquatic biomass into novel foods, feed, energy, packaging, etc.
Business accelerator	A program that gives developing companies access to mentorship, investors and other support that help them become stable, self-sufficient businesses.
Business incubator	An organization designed to accelerate the growth and success of entrepreneurial companies through an array of business support resources and services that could include physical space, capital, coaching, common services, and networking connections
Business intermediaries	National, regional or local structures (associations, companies, NGOs) who support businesses (including SMEs) to increase their capacities, ensure compliance with regulation, develop new markets, etc.
Business intermediary	An organisation (association, federation, foundation) which is close to the enterprises (it could be a membership organisation) and which could deliver programmes and funding in support of national policies.
Circular business models	Business models and actions in line with the circular economy: substituting raw materials with secondary ones; shifting to product-service systems; undertaking industrial symbiosis synergies; substituting products or packaging with bio-based ones; adopting smart/circular design for better reuse, repairability, material efficiency, increasing the lifetime of the product; remanufacturing initiatives
Circular design	Concerns products, business models, cities, and the linear systems changing them to circular.
Circular economy	A circular economy is based on the principles of designing out waste and pollution, keeping products and materials in use, and regenerating natural systems. It is the opposite of the linear production and consumption system. (Ellen Macarthur Foundation)
Circular procurement	Sets out an approach to GPP which pays special attention to "the purchase of works, goods or services that seek to contribute to the closed energy and material loops within supply chains, whilst minimising, and in the best case avoiding, negative

	environmental impacts and waste creation across the whole life-cycle
Competitiveness	Ability and capability to compete successfully with other companies, countries, organisations, etc.
Corporate Social Responsibility	A self-regulating business model that helps a company be socially accountable and being conscious of the kind of impact they are having on all aspects of society, including economic, social, and environmental.
Digitalisation	The use of digital technologies to change a business model and provide new revenue and value-producing opportunities; it is the process of moving to a digital business.
Digitisation	The process of converting information from a physical format into a digital one.
Eco-innovation	Any form of innovation resulting in or aiming at significant and demonstrable progress towards the goal of sustainable development, through reducing impacts on the environment, enhancing resilience to environmental pressures, or achieving a more efficient and responsible use of natural resources (Eco-innovation Action Plan)
Eco-management and audit scheme (EMAS)	Management tool for companies and other organisations to evaluate, report and improve their environmental performance.
EMAS	The Eco-management and Audit Scheme (EMAS) is a premium management instrument developed by the European Commission for enterprises and other organisations to evaluate, report, and improve their environmental performance. (EC)
Employment by economic activity	Number of the actually employed persons by economic activity for a given period of time. This does not include the vacant posts or any potential vacancies.
Energy productivity	The indicator results from the division of the gross domestic product (GDP) by the gross available energy for a given calendar year. It measures the productivity of energy consumption and provides a picture of the degree of decoupling of energy use from growth in GDP. (Eurostat).
Enterprise	An enterprise is considered to be any entity engaged in an economic activity, irrespective of its legal form. This includes, in particular, self-employed persons and family businesses engaged in craft or other activities, and partnerships or associations regularly engaged in an economic activity. (Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises)
Entrepreneurial ecosystem	Is a system composed of a range of stakeholders, public and private, individual and collective, as well as the full set of policy measures defined and adopted to enhance their action, articulation, and co-development, in order to promote entrepreneurship, value creation, and economic development. Approaches to define entrepreneurial ecosystems usually consider some key dimensions: high human capital qualification, open markets, favourable culture, consistent financial system, governance and policy measures, institutional and business support.
Entrepreneurship education	Education and training designed to develop and encourage entrepreneurial spirit and success.
Environmental Technology Verification Programme	A technology that performs well above normal standards or that presents an innovative approach to solve an environmental problem. It allows for an independent assessment and validation of the

	manufacturer's claims on the performance and environmental benefits of their technology
EU ecolabel	It is a label of environmental excellence that is awarded to products and services meeting high environmental standards throughout their life-cycle: from raw material extraction, to production, distribution and disposal. (EC)
Extended Producer Responsibility (EPR)	An environmental policy approach in which a producer's responsibility for a product is extended to the post-consumer stage of a product's life cycle
Family business	The common European definition of a family business by the European Commission (2009) is the following: 1. The majority of decision-making rights are in the possession of the natural person(s) who established the firm, or in the possession of the natural person(s) who has/have acquired the share capital of the firm, or in the possession of their spouses, parents, child, or children's direct heirs. 2. The majority of decision-making rights are indirect or direct. 3. At least one representative of the family or kin is formally involved in the governance of the firm. 4. Listed companies meet the definition of family enterprise if the person who established or acquired the firm (share capital) or their families or descendants possess 25 per cent of the decision-making rights mandated by their share capital.
Functional economy	Selling the use of the product, not the product itself (i.e. shared mobility schemes)
Green Deal (2019)	A roadmap with a 2050 horizon launched by the European Commission as a response to the EU obligations to tackle climate change and other environmental issues.
Green products	Products which have better environmental performance than other equivalent products. These might have different labels such as the EU Eco-label.
Green products and services	Products which are better than their equivalents and: help save energy; are free of toxic substances; are made of recycled or reused materials; are durable and easily repaired; minimise environmental impact during a product's entire life cycle
Green Public Procurement	A process whereby public authorities seek to procure goods, services and works with a reduced environmental impact throughout their life cycle when compared to goods, services and works with the same primary function that would otherwise be procured.
Human capital	Skills, knowledge, experience or other intangible assets of individuals that can be used to create economic value for the individuals, their employers, or their community.
Industrial cluster	The cluster is seen as a specific spatial industrial organisation based on two fundamental principles: 1. the relationship between actors in terms of geographical proximity, mutual complementarity and confidence building; 2. the existence of both competitive and cooperative interactions between co-localized (localized in the same region) companies.
Industrial symbiosis	Industrial symbiosis (IS) is a systems approach to a more sustainable and integrated industrial system, which identifies business opportunities that leverage underutilised resources (such as materials, energy, water, capacity, expertise, assets etc.) (Lombardi & Laybourn, 2012)

Industrial symbiosis synergies	Transactions or activities of acquiring waste resources between one company generating the waste and another company or organisation integrating them as inputs into the production process
Innovation	A new idea or method, or the use of new ideas and methods, which meet new requirements, unarticulated needs, or existing market needs.
Internationalisation	The process of increasing involvement of enterprises in international markets, although there is no agreed definition of internationalisation. (Susman, 2007)
ISO 14001	Environmental Management System - management tool for companies and other organisations.
ISO 9000	Certification on quality management
Large enterprise	The following narrow definition is used in the present analysis: an enterprise which employs 250 or more persons.
Medium-sized enterprise	The following narrow definition is used in the present analysis: an enterprise which employs between 50 and 249 persons.
Microcredit	A common form of microfinance that involves an extremely small loan given to a business or individual to help them become self-employed or grow/support a small business.
Microenterprise	The following narrow definition is used in the present analysis: an enterprise which employs fewer than 10 persons.
Product-service systems	Marketable set of products and services capable of jointly fulfilling customers' needs in an economical and sustainable manner (Goedkoop et al., 1999; Tukker, 2004). Integration of products and services by companies for a more intensive use of the product which at the same time could lead to quicker replacement by newer more efficient and innovative products. Product design needs to change towards better functionality and durability. Potential benefits of offering integrated product and service solutions include economic, social and environmental impacts as companies improve their resource utilization.
Resource efficiency	The amount of resources used by the economy/company per value generated. Resource efficiency means using the Earth's limited resources in a sustainable manner while minimising impacts on the environment. It allows us to create/produce more with less and to deliver greater value with less material and energy input. (EC) Energy efficiency is one part of the resource efficiency.
Resource productivity	A measure of the total amount of materials directly used by an economy (measured as domestic material consumption (DMC)) in relation to GDP (Eurostat).
Scale-up	A scaleup (company) is a company who has an average annualized return of at least 20% in the past 3 years with at least 10 employees in the beginning of the period (OECD, 2007)
Secondary raw materials	Recycled materials that can be used in manufacturing processes instead of or alongside virgin raw materials
Sector, industry and economic activity	According to the NACE 2008 classification the economic activities at the level of the letter codes in the classification (from A to U) are categorised as sectors, while each subsequent disaggregation (which in the analysis goes down only to the 2-nd digit) is usually called economic activity or industry as interchangeable terms.
Servitisation	The process of developing capabilities to provide services and solutions that supplement traditional product offerings, and provide additional revenue streams

Small and medium-sized enterprise	The category of micro, small and medium-sized enterprises (SMEs) is made up of enterprises which employ fewer than 250 persons and which have an annual turnover not exceeding EUR 50 million, and/or an annual balance sheet total not exceeding EUR 43 million. (Commission Recommendation of 6 May 2003 concerning the definition of micro, small and medium-sized enterprises)
Small enterprise	The following narrow definition is used in the present analysis: an enterprise which employs between 10 and 29 persons.
Smart (and circular) design	In this text it is used in the sense of design which allows products to be easily dismantled and repaired, which uses bio-based, non-harmful materials if possible, and which is user-centric.
Start-up	A startup is a company that's in the initial business stage.