

Evgeniy Ivanov, Executive Director of the Confederation of Employers and Industrialists in Bulgaria (CEIB):

The utilisation of the EU Funds is not an objective on its own for the business

The Confederation of Employers and Industrialists in Bulgaria “The voice of Bulgarian business” – CEIB unites more than 400 individual members and more than 6000 members through collective membership of branch organisations, regional structures and holdings. CEIB members, which economic position and potential is a significant factor for the development and prosperity in Bulgaria product two-thirds of the GDP and provide jobs for more than 400 000 people.

Prosperity, security, solidarity – this is what Bulgaria’s membership in the EU means for the Bulgarian business. The economic growth is a prerequisite to achieve prosperity and it is one of the major goals of the Confederation of Employers and Industrialists in Bulgaria. Our most important priority is to speed up GDP growth, in order to eliminate the difference in the income per capita in Bulgaria compared to that in the EU countries. Bulgaria registers real GDP growth rates a lot higher than the EU average, but it is still the country with the lowest GDP per capita. For the business security is mainly energy security, which is amongst the priorities of the German presidency of the EU.

Solidarity in the EU is expressed in the European Structural Funds, through which Bulgaria will have access to EUR 7 billion during the next seven years. It is CEIB's opinion that the utilisation of the European funds should not be an objective on its own, it should be considered an instrument for economic growth in accord with our national priorities. The utilisation of the funds is an opportunity for additional financing of projects based on market principles.

In our opinion, the improvement of the quality and quantity of human and physical capital and the strengthening of the EU integration in the field of commerce and investments is one of the economic priorities of Bulgaria in the EU. It is also important to implement reforms at the labour market, the creation of jobs, the enhancement of the social security system.

OP Competitiveness is one of the 7 Operational Programmes which are directly related to the business and we are ready to use the opportunities which this Programme provides. It gives the business the opportunity to make investments in modernisation, technological renovation, etc.

As a whole the business will have its important role in the utilisation of the Structural Funds. In addition to OP Competitiveness it may be direct beneficiary under OP Human Resources. As contractor and subcontractor the business may be involved in the use of the moneys from the Funds for improvement and construction of infrastructure and the in area of environment. Consultancy is one of the significant perspectives in the utilisation of the European funds. The partnership with the municipalities, which will be promoted by the European Commission, is another direction where the business may develop.

In our opinion the Bulgarian business has real chances to utilise a significant part of the moneys from the EU Funds envisaged for Bulgaria for the period 2007 – 2013. The experience Bulgaria has with the Pre-accession Funds is used to establish the mechanism for the Structural Funds. It is good that the government negotiated many relieves in the utilisation regime. The way the moneys from the European Funds will be utilised is easier than the utilisation under the PHARE Programme. This is an important feature that the business should pay attention to. One of these relieves is the so-called N+3 rule, which means that the project applied with should be implemented over four years. This regime is envisaged for the period 2007 – 2009 in order to facilitate the beneficiaries of European Funds. In this respect Bulgaria is privileged as for the other countries this term is two years. Another relief for the business is that the funds for the approved projects will be paid in Bulgarian currency. The EU Funds moneys are received in Bulgaria in EUR – the foreign exchange difference will be covered by the state and will not be at the expense of the beneficiary.

We are convinced that the campaign of the Ministry of Finance related to clarification of the terms and conditions and parameters in the upcoming utilisation of the European Structural Funds was timely and very useful. An evidence thereto is the huge interest demonstrated by the companies – members of CEIB and the business circles in Stara Zagora, Yambol and Rousse, where we held seminars as per of the “Be Active” campaign. This is the first project in which the Ministry of Finance attracts representatives of the business as partners and we can definitely say we have a successful public – private partnership between the business and the state institutions.

