



REPUBLIC OF BULGARIA

MINISTRY OF FINANCE

FRAMEWORK POSITION OF THE REPUBLIC OF BULGARIA

POSITION REGARDING: Draft Guidelines on climate aid, environmental protection and energy 2022

TEXT OF FRAMEWORK POSITION:

The Republic of Bulgaria supports and welcomes the draft Guidelines for State aid in the fields of climate, environmental protection and energy for 2022 (draft Guidelines).

We are of the opinion that the draft document provides valuable guidance in assessing public finance in the fields of climate, environmental protection and energy.

At the same time, we consider it appropriate to make the following clarifications in the text of the Guidelines:

In point 2.4 Definitions 18 (78), “Union standard” means, (b)... “when these levels are expressed as a range, the limit achieved for the first time with BAT will apply” — We consider that in case it refers to the “limit achieved for the first time with DNT”, there is a need to establish a mechanism to disseminate information at European level on the limits achieved in the relevant proceedings. If this is not the case, this provision is open to interpretation and unequal treatment, and we propose to clarify this provision.

Under point 4.5.1 (222), we consider that note 92 to ‘pollution of water bodies’ should be extended to include, in addition to ‘good chemical status’ and ‘good ecological status’ for surface water bodies, in accordance with Directive 2000/60/EU. We consider that, in addition to priority hazardous substances and other priority substances, specific pollutants (which are part of the environmental status assessment) also lead to pollution and failure to achieve the objectives of good status.

In addition, we note that in the Bulgarian version of the document the translation of the term “pollution of water bodies” is incorrect and alters the meaning.

With regard to point 4.5.2 (224), we suggest in the text: ‘Aid for the prevention or reduction of pollution other than that caused by greenhouse gases may be granted for investments enabling undertakings to go beyond Union environmental standards, to increase the level of environmental protection in the absence of Union standards or to apply Union standards which have not yet entered into force’, after the text: “enabling businesses.” to add also “**to comply and**” and delete the end of the sentence.

Similarly, subsection **230 (point 4.5.3)** should be redrafted.

We propose to clarify the content of the term “integrated local electricity generation installations” in order to avoid ambiguities in the application of subsection 116.

Given the wide variety of regimes in the Member States, as a matter of principle, we would like to point out that the possibility of beneficiaries being public bodies carrying out an economic activity separable from the exercise of public powers is not reflected, so that the size of the undertakings to which they can be assimilated and the intensity of the aid cannot be assessed and calculated precisely.

With regard to Annex 1 — We consider that the scope of the sectors listed in Annex 1 of the draft Guidelines, which are deemed to be exposed to a real risk of carbon leakage due to indirect emission costs, is too limited. There are also other sectors specific to Bulgaria as border country for the region at risk, such as cement and lime production, for which there is a tendency to delocalise production to neighbouring countries such as Turkey.

Finally, we draw attention to a clerical error in the Bulgarian version of the draft Guidelines. Point 411 states that the Commission will apply them from 1 July 2022. this is contrary to point 413 and the English version of the Guidelines, which state that they will apply from 1 January 2022. we would ask the Commission to clarify the inaccuracy made in the final version of the Guidelines.