

**Evaluations of  
Operational Programme Environment 2014-2020**

**Activity 3:  
Impact evaluation of OPE 2014-2020 and  
evaluation of the contribution of the ESIF to  
the achievement of specific objectives of each  
priority**

**SUMMARY**

**Ministry of Environment and Water**

**Developed by: ECOSTIL Consortium**



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## Summary

The impact evaluation of Operational Programme "Environment" 2014-2020 (OPE) and the evaluation of the contribution of the European Structural and Investment Funds (ESIF) to the achievement of specific objectives of each priority was carried out in the period March-October 2023.

The evaluation covered programme's implementation from its approval by the European Commission on June 15, 2015, to the middle of 2023. The cut-off date of the report is **30 June 2023**.

**The purpose of the evaluation** is to establish the contribution of the OPE 2014-2020 to the achievement of the specific objectives of each investment priority under each priority axis of the programme, as well as the overall impact of the programme on the preservation and protection of the environment and the promotion of efficient use of resources.

The scope of the evaluation includes the main 5 priority axes (PA) of the programme ('Water' (PA1); 'Waste' (PA2); 'Natura 2000&Biodiversity' (PA3); 'Flood Protection and Landslides Prevention' (PA4); 'Air Quality' (PA5); as well as the technical assistance priority (PA6). The scope of the evaluation also includes PA7 added in 2022 to provide support for refugees from Ukraine.

The evaluation does not include the PA8 'Support for Small and Medium-sized Enterprises through the SAFE Instrument' added to the programme in September 2023.

The evaluation includes a total of 17 evaluation questions, divided into the following topics: efficiency (5 questions); effectiveness (3 questions); impact (6 questions) and sustainability (3 questions).

The following quantitative and qualitative methods for **data gathering** were used: desk research; interviews, site visits and focus groups with the OPE Managing Authority.

In the period May-June 2023, four online surveys were conducted among OPE beneficiaries: municipalities, water supply and sewerage operators, state bodies; companies and non-governmental organisations. For all groups of respondents, the response rate is over 50%.

**Analyses were conducted** by using a combination of methods, depending on the evaluation topics and questions. The main methods used are intervention logic analysis, indicator analysis, financial performance analysis, descriptive statistics, work processes analysis, comparative analysis, administrative burden analysis, and sustainability analysis. The implementation and achieved results of specific projects were also examined through case studies. Theoretical approaches (theory of change) were used to assess impact. Quantitative methods - a counterfactual analysis - was used to assess the impact of the support in the field of waste (PA2).

### **The following conclusions were drawn:**

Considering the specifics and nature of the implemented infrastructure projects, the targets set have been achieved or are near achievement up to the middle of 2023 in the following areas: water bodies with improved monitoring of the chemical status; updated analytical

/programme/strategic documents in the field of water management; reclaimed landfills; habitats supported to achieve a better conservation status; and areas with improved flood protection.

Investments under OPE 2014-2020 have a direct **positive impact** on the implementation of environmental protection policies in the financed sectors: 'Water', 'Waste', 'Flood protection and landslide prevention' and 'Air quality'.

Although the country continues to lag behind in achieving the objectives for the **collection, treatment and discharge of urban waste water** (Directive 91/271/EEC), the programme has made a significant contribution to reducing the gap. A contribution is also observed to the improvement of water supply, as well as to the improvement of monitoring of water resources and water management.

The programme has made a significant contribution to achieving the goals in the **field of waste** in two directions: (1) it contributes to the observed trends in the reduction of landfilled household waste and the increase of recycled waste; (2) with the reclamation of landfills for closure, subject to a procedure for violation of the EU law in case C-145/14, the programme contributes to the fulfilment of the country's obligation under the decision of the Court of the European Union from 16.07.2015 and, respectively, a faster termination of the penalties paid.

**Flood risk management** in settlements has been improved and the **risk of landslides** has been reduced. In the long term, the measures contribute to climate change adaptation and crisis risk management related to natural disasters.

The impact of measures in the area of **reducing air pollution** with fine particulate matters is still minimal because most projects are under implementation. On the other hand, a synergistic effect is expected in some of the target municipalities, as similar projects are also financed through other programmes (LIFE).

The programme has a limited contribution to the **protection of biodiversity**, given the small share of the OPE for achieving the goals planned in the Bulgarian National Framework for Natura 2000 Priority Actions. This contribution is hindered, and to some extent further reduced, by the lack of a new management structure of the Natura 2000 network established at a national level.

The following **additional effects** have been identified: on the one hand, these are displacement effects of the investments in water supply and sewerage infrastructure, where environmental benefits lead to aggravation of the financial situation of water supply and sewerage operators and thus to more expensive services for the population. At the same time, a multiplier effect was identified, where additional resources have been added to the programme's funds by the beneficiaries (water supply and sewerage operators) for investments in water supply and sewerage infrastructure.

A number of **good practices** during the project implementation can be mentioned, such as working in an electronic environment (UMIS<sup>1</sup>); flexibility and reaction to changes in external conditions on the part of the Managing Authority; the consultations with stakeholders and the support provided to beneficiaries. The Managing Authority has shortened the time for approving project proposals and verifying requests for payments and these activities are being carried out faster than required by the national regulations, thus, improving the effectiveness. A large part of the beneficiaries defines the administrative burden related to the grant provision

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<sup>1</sup> Information System for management and Monitoring of EU funds in Bulgaria

as insignificant. The identified good practices used by beneficiaries include appropriate planning and implementation of public procurement procedures (early launch); good coordination with other stakeholders; application of digital technologies to support management and use of project results as well as the application of innovative solutions.

**The contribution of European Structural and Investment Funds (ESIF)** to the investments in the OPE-supported sectors is substantial, especially in the areas of water supply and sewerage, waste management and air quality, where the invested funds are significant. In the area of biodiversity conservation and flood and landslide risk reduction, ESIF investments are at a smaller scale. However, the support is also important, in comparison to the limited state budget investments.

The **OPE 2014-2020 support is sustainable** in terms of environmental and climate change policies, as it is linked to the European and national strategic objectives. The achieved results of the projects are useful for the beneficiaries and their target groups and still needed. Financial sustainability is also generally good.

At the same time, the lack of a clear and generally accepted national legislative and/or strategic vision for the development of some of the sectors subject to intervention (Water, Natura 2000) undermines sustainability. Finding ways to improve the financial situation of water supply and sewerage operators, such as generating savings from various types of costs, will improve the sustainability of investments in water supply and sanitation.

The weaker performance compared to some of the set targets is due to the later launch of large and key investments in the water, waste and air sectors, as well as delays in the implementation of the projects. Delays in launching and implementing these measures are mainly due to the lack of readiness on the part of the potential beneficiaries for implementation of the projects.

A large part of the projects is still under implementation and some of the water supply and sewerage projects are planned to be completed during the next programme period. Key interventions contributing to the achievement of the programme's objectives, such as the project of Sofia Municipality for the construction of a plant for combined energy production with the RDF utilization (due to prolonged appeal procedures), and the investments in building the capacity of the new management structures of the Natura 2000 network (due to lack of approval of the proposed amendments in the regulatory framework) have not been implemented.

The support through **financial instruments** is far below the expected volumes. Under the PA1, only 5 contracts were concluded with water supply and sewerage operators (out of 14 supported by grants). No contracts for support have been concluded within the scope of the financial instrument available under PA2. Difficulties in the financial instruments under PA1 are related to the high administrative burden, as well as to the fact that the products offered were not attractive enough. The financial instruments under the PA2 were not implemented due to the limited scope of the support and the weak interest on the part of the designated final recipients. Expanding the scope of support and providing more flexible and attractive conditions to cover needs that are not supported by grants will lead to a better use of financial instruments to support the achievement of programme's objectives.

In some cases, beneficiaries have difficulties due to a lack of experience and capacity. Other difficulties arise from insufficiently effective communication with stakeholders and target groups as well as from delays stemming from coordination and permitting regimes.

Several **external factors** had a negative impact on the programme's implementation. The COVID-19 pandemic and the war in Ukraine caused delays, while the high inflation in the last two years hampered the projects' completion within the budgets. The unstable political situation with several caretaker governments hampered the adoption of political decisions and laws important for the measures supported under the OPE, especially in the field of NATURA 2000 and in the 'Water' sector.

**The report makes the following recommendations:**

- The Managing Authority should launch all measures which are ready to start at the beginning of the implementation of the "Environment" Programme 2021-2027 in order to ensure sufficient time and manage the risk of delays. It is recommended that those measures that have a direct contribution to achieving the goals are prioritised.
- The managing body should analyse the beneficiaries' preparedness for implementation of projects and draw up a long list of possible projects, regularly monitor the project readiness and provide technical assistance, where needed, in order to establish a pipeline of ready to implement projects.
- The Managing Authority should negotiate with the 'Fund Manager of Financial Instruments in Bulgaria' on a clause in the financial instruments' agreement, requiring the financial products to be more attractive than those available on the market.
- It is recommended that the scope of support through financial instruments is broader than the grant assistance, to address additional needs of the final recipients that would contribute to achieving the programme's objectives.
- The OPE Managing Authority should consider the possibility of collecting additional project-based data, outside the programme indicators, which could be used for analysing the level of achievement of programme objectives.