

# POLICY ON STATE PARTICIPATION IN PUBLIC ENTERPRISES



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OECD	Organization for Economic Co-operation and Development
PEA	Public Enterprises Act
IRPEA	Implementing Rules of the Public Enterprises Act
TPSMEA(revoked)	Transformation and privatization of State-owned and municipal enterprises Act
PPPCA	Privatization and Post-privatization Control Act
MH	Ministry of Health
MRDPW	Ministry of Regional Development and Public Works
MEI	Ministry of Economy and Industry
MIG	Ministry of Innovation and Growth
MTC	Ministry of Transport and Communication
MA	Ministry of Agriculture
MD	Ministry of Defence
ME	Ministry of Energy
MC	Ministry of Culture
MYS	Ministry of Youth and Sports
MF	Ministry of Finance
MES	Ministry of Education and Science
MLSP	Ministry of labor and Social Policy
MT	Ministry of Tourism
MJ	Ministry of Justice
MFA	Ministry of Foreign Affairs
MI	Ministry of Interior
MeG	Ministry of e-Governance
MOEW	Ministry of Environment and Water

## INTRODUCTION

The policy on state participation in public enterprises (the Policy) has been prepared in accordance with Art. 10 of the Public Enterprises Act and Art. 2 of the Implementing Rules of the Public Enterprises Act within the framework of the project “Support to the implementation of the reform of public enterprises in Bulgaria” and is part of the Action Plan with measures for the subsequent commitments of the Republic of Bulgaria after joining the Monetary Mechanism II.

The policy has been developed by the Public Enterprises and Control Agency in cooperation with the bodies exercising the rights of the state in the enterprises and based on their opinions, covering only the ownership of the state and does not apply to enterprises of municipal or cooperative ownership. The document is in full compliance with the National Development Program “BULGARIA 2030”.

With the Public Enterprises Act and its Implementing Rules, the basis of the legislative and institutional reform has been aligned with the standards laid down under the OECD Guidelines for Corporate Governance of State-Owned Enterprises<sup>1</sup>. The performed reform aims to respond to the challenges related to the public enterprises’ functioning and governance. Public enterprises operate in a competitive and ever-changing environment, which calls for a clear and open ownership policy.

The policy shall serve to justify the general goals and priorities that the state sets for itself as the public enterprises’ owner. According to Art. 5 of the IRPEA this shall define: the justification of the ownership of the state in public enterprises; the objectives that the state shall set for itself as the public enterprises’ owner; the state’s role in the public enterprises’ governance; policy performance indicators; the role and responsibilities of ministers exercising the rights of the state in enterprises and other state bodies involved in policy implementation.

The main challenge in policy making for state participation in public enterprises is the diversity of public enterprises – in the portfolio, there are some that fall under different categories under the Accounting Act, in other business models, and in various sectoral policy mandates.

Regarding the legal organizational form, the status of enterprises is defined in the Commercial Act - joint-stock companies, limited liability companies, and state-owned enterprises established by special laws.

### *A brief historical overview of the transformation of state ownership*

Up to 1989, the Bulgarian state has owned significant ownership of productive assets. The privatization process began with the adoption in 1992 of the Transformation and privatization of State-owned and municipal enterprises Act (revoked).

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<sup>1</sup> OECD Guidelines on Corporate Governance of State-Owned Enterprises, 2015 Edition

The legal framework of the privatization process is regulated by two laws – Transformation and privatization of State-owned and municipal enterprises Act (revoked) and the Privatization and Post-privatization Control Act, adopted in 2002 and related regulations. Privatization was carried out through the so-called “mass privatization” (with investment vouchers) and “cash privatization”.

In 1997, according to the “Program for Restructuring the Financial System and Real Economy” with an agreement between the Government of the Republic of Bulgaria and the World Bank, and the IMF on the occasion of the first Financial and Enterprise Sector Adjustment Loan FESAL I and the Fifth Stand-By Arrangement (SBA). The Government of the Republic of Bulgaria and the World Bank accepted the value of fixed assets of all state-owned enterprises as of December 31, 1995, as a basis for reporting the process of denationalization, which at this moment amounted to 580 billion BGN and subsequently with the denomination of BGN became 580 million denominated BGN.

The value of the assets denationalized so far through privatization amounts to 66.31% of the determined amount of all state assets.

In the current Privatization and Post-Privatization Control Act, the state-owned interest in the capital of any commercial corporation shall be declared for privatization, except for those included in the list of Appendix No. 1 to this law, the so-called “prohibited list” - 179 companies.

The remaining resource for privatization is very limited and the privatization process of entire enterprises has practically ended.

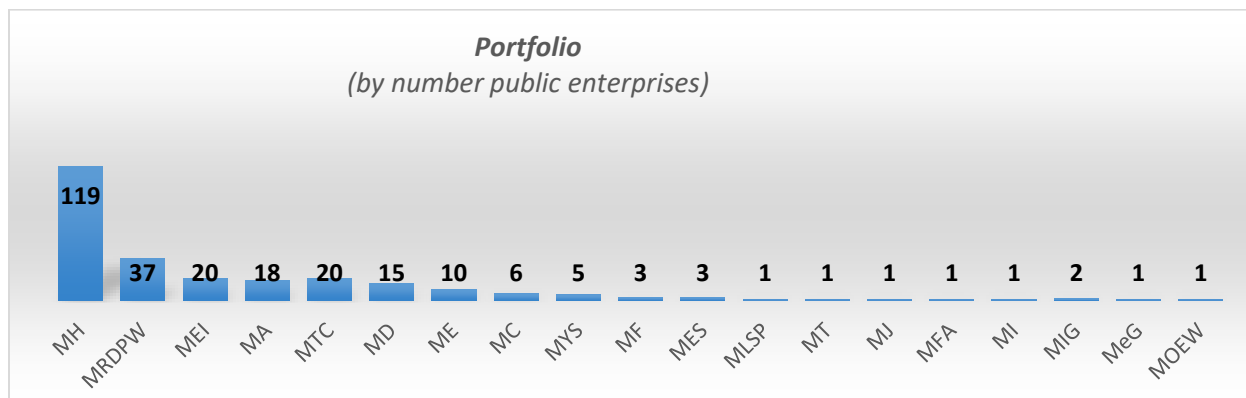
This presupposes the need to strengthen the function of the state as the owner and apply the standards of good corporate governance, with a view to increasing the efficiency of the activity of public enterprises.

## **I. JUSTIFICATION OF STATE OWNERSHIP IN PUBLIC ENTERPRISES**

With the adoption of the Public Enterprises Act and its Implementing Rules, the state follows the OECD Guidelines on Corporate Governance of State-Owned Enterprises, which provide the state as owner and state-owned enterprises with a predictable framework so that the state's role as owner is clearly separated from its other functions.

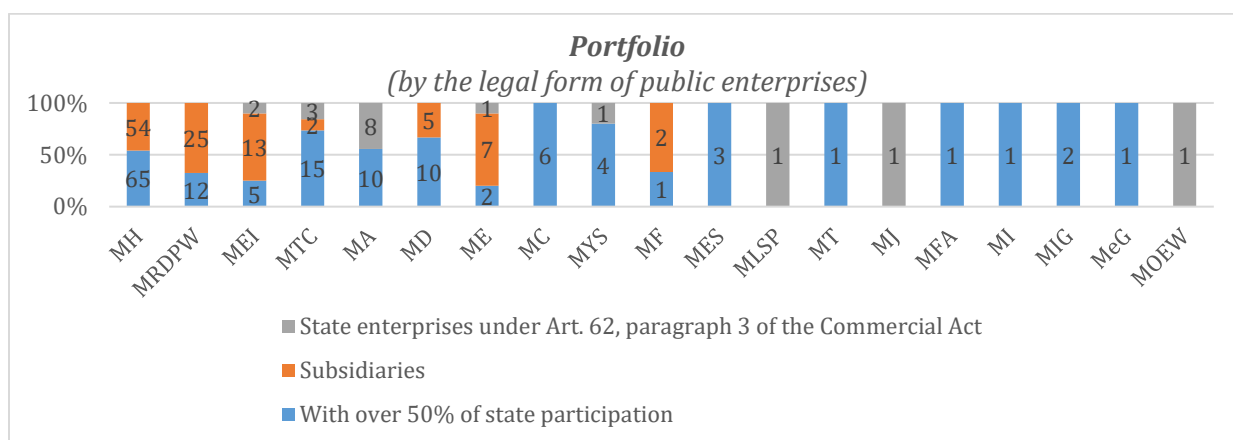
## 1. Overview of the state-owned public enterprises' portfolio

As of 31.08.2022 the total number of public enterprises, including subsidiaries, is 265.

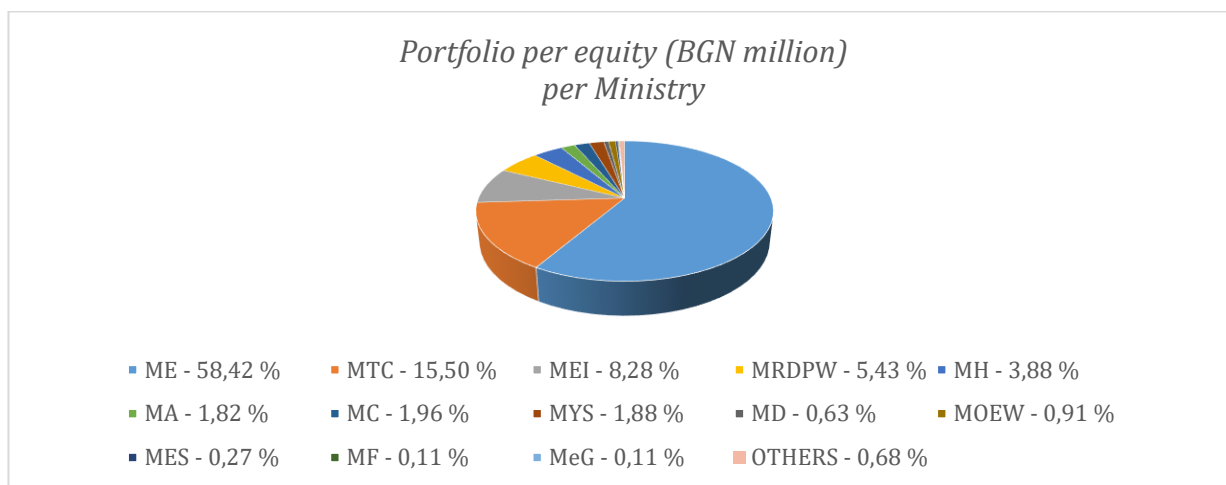
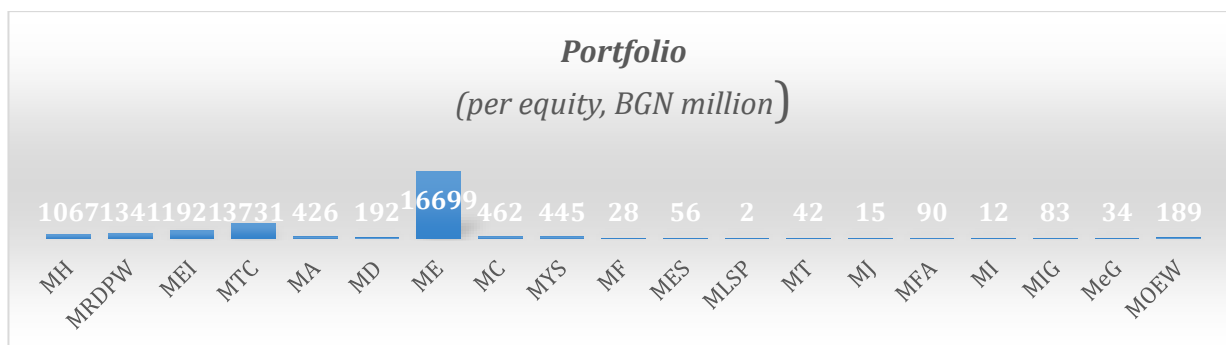


The predominant part of the state-owned public enterprises operates as commercial companies - 247 in number. State-owned enterprises, established by special laws within the meaning of Art. 62, para. 3 of the Commercial Act are 18 public enterprises.

In the state portfolio, 50 public enterprises are categorized as “large” according to the Accounting Act’s criteria. Of these, according to their legal form, 40 are commercial companies with over 50 percent state participation in the capital or in which the state otherwise exercises a dominant influence (subsidiaries), and 10 are state enterprises within the meaning of Art. 62, para. 3 of the Commercial Act.



The total value of the equity capital of public enterprises as of 31.12.2021 is BGN 26,850 million.

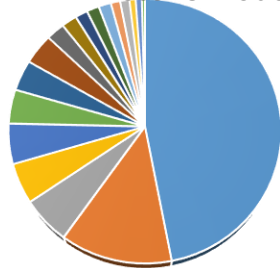


According to the equity criterion, the state's participation has the greatest weight in the portfolio of the Ministry of Energy – 58.42%, the Ministry of Transport and Communications – 15.50% and the Ministry of Economy and Industry – 8.28%.

The energy sector has a structural-determining significance for the economy. "Bulgarian Energy Holding" EAD functions as a financial holding and it unites all state-owned energy companies operating in the field of production, extraction, transmission, and trade in energy resources. Their total share in the gross domestic product (GDP) of the country amounts to 9.9% for 2021.

BEH	Bulgargaz	Bulgartransgaz	Mini Maritsa Iztok	NEK	Kozloduy NPP	TPP Maritsa East-2	ESO
0,6 %	1,6 %	0,4 %	0,5 %	3,1%	2,1%	1,0 %	0,7 %

**Public enterprises by sectors of economic activities**



- Human health and social work - 46,97%
- Water supply, sewerage, waste management and remediation - 12,88 %
- Transportation and Storage and Mail Services - 5,68 %
- Professional activities and scientific research - 4,92%
- Agriculture, forestry and fisheries - 4,92 %
- Manufacturing industry - 4,17 %
- Real estate operations - 3,79 %
- Financial and insurance activities - 3,79 %
- Culture and sports entertainment - 2,27 %
- Production and distribution of electrical and thermal energy and gaseous fuels - 1,89 %
- Construction - 1,52 %
- Creating and distributing information and creative products; telecommunications - 1,52 %
- Trade, repair of motor vehicles and motorcycles - 1,52 %
- Accommodation and Food Service Activities - 1,14 %
- Administrative and support service activities - 1,14 %
- Extractive industries - 0,76 %
- State governance - 0,76 %
- Education - 0,38 %

State-owned public enterprises are involved in 18 sectors of the economy, according to the NSI's classification of economic activities by sector. Enterprises from the "Human health care and social work" sector are 46.97% of the state portfolio, from the "Water supply sector; sewerage services, waste management and remediation" - 12.88% and from the sector "Transportation, storage and mail services, posts" - 5.68%

The portfolio of public enterprises includes those created to achieve maximum value for society through the efficient allocation of resources when necessary: to eliminate existing market defects; to provide goods or services of strategic importance or those related to national security or development; to govern strategic for the state property.

In a part of the enterprises, the market mechanism does not function fully. For example, the State body Energy and Water Regulatory Commission examines and resolves issues related to price regulation in energy and W&S services.

Another group of enterprises, which also do not carry out their activities on a market basis, are those established by special laws based on Art. 62, para. 3 of the Commercial Act, and to certain public enterprises are assigned obligations to perform public services.

## 2. Reasons for State involvement in public enterprises

The reasons given by line ministries for state ownership of public enterprises shows that they can be grouped as follows:

- 1) Protection of national economic and strategic interests through specific policies and requirements for public enterprises maintaining or governing assets (including national infrastructure networks, natural resources) for which there is a ban on privatization:

- a. Stimulating the economic activity:



- establishing a favorable institutional environment for investments; innovations in production activities; development of productions with high added value;
  - bringing together the potential of businesses and science;
  - strengthening the economic activity of the areas where industrial zones are being built and suitable conditions are offered to investors, incl. support of start-up enterprises;
  - stimulation of Bulgarian enterprises, including increasing the competitiveness of small and medium-sized enterprises by providing insurance protection to Bulgarian enterprises in the areas of exporting goods and services abroad and carrying out investment activities abroad;
  - construction and management of tourism-serving infrastructure;
  - provision of funding through the instruments of European solidarity through the Operational and other donor programs, with the aim of developing the Bulgarian regions, overcoming deficits and building, rehabilitating and modernizing public infrastructure;
- b. Development and improvement of the country's defense capability:
- inclusion of enterprises working in the field of security and defense to the European Defense Technological and Industrial base;
  - creation of new defense capabilities and compatibility of the armed forces within a single balanced set of forces;
  - improving security of supply and operational independence through the implementation of industrial cooperation and offsets.
- c. Environmental protection:
- prevention, reduction and removal of the environment pollution;
  - long-term and permanent improvement of the ecological status in the area of mining, coal mining and uranium mining and processing facilities;
  - realization of environmental projects and activities for the implementation of national and municipal strategies and programs in the field of the environment through the implementation of investment and non-investment projects and activities for monitoring, protection, and restoration of the environment.
- d. Development of basic transport infrastructure, information and communication technologies, maintenance of transport services of social importance as well as improvement of their quality and sustainable development of transport:
- the completion of the highway roads' construction; improving the quality of road infrastructure; construction of the Trans-European road network on the territory of the country;
  - improving the technical condition of the railway infrastructure;
  - construction of the Trans-European railway network on the territory of the country;

- the construction of intermodal terminals, provided with equipment according to the requirements for the performance of combined transport;
  - development and improvement of the technical condition of the port infrastructure for public transport, improvement of the condition of the Bulgarian section of the Danube waterway;
  - development of the airport infrastructure and its integration with the rest of the transport infrastructure in the country;
  - development of broadband access in the country, by providing a digital infrastructure for the provision of various information services;
  - management of critical infrastructure sites in the transport sector, according to the Ordinance on the order, manner and competent authorities for establishment of critical infrastructures and their sites as well as risk assessment for them;
- e. Development of agriculture:
- managing the state forest territories for multifunctional and sustainable development and achieving a balance between the ecological function of forests and their long-term ability to provide material benefits and services;
- f. Development and management of special purpose properties:
- property management to provide social services to students;
  - organization of school recreation and sports;
  - production and distribution of materials related to the educational process;
  - development of sports, through construction and management of sports infrastructure;
  - management of assets intended to serve the needs of diplomatic missions in the country in fulfillment of art. 21 of the Vienna Convention on Diplomatic Relations;
  - management of properties and assets to provide, in a lawful and safe manner for the health of people and the environment, services for permanent disposal of hazardous hospital waste;
  - improving the technical condition of dams, dam walls and their facilities and ensuring their safe operation;
  - 
  - development and management of properties related to the implementation of cultural, congress-conference, public-political events of a nationwide scale.
- g. Implementation of social policy:
- support for increasing the employability of the unemployed from disadvantaged groups on the labor market, at risk of poverty and usually with low motivation for learning (unemployed with low education and no qualifications, long-term unemployed, unemployed youth, unemployed over 50, unemployed with permanent disabilities, etc.);

- h. Development of the capital market:
  - maintaining the conditions for the development of a fair and open capital market by providing an adequate regulatory framework
  - ensuring protection of investors in securities, including by establishing conditions for increasing their awareness about the capital market;
- i. Ensuring the energy market's functioning:
  - ensuring the security of energy supplies;
  - ensuring the quality of electrical energy and continuity of supply;
  - guaranteeing the availability of electricity for the benefit of consumers;
  - development of an integrated and competitive energy market;
- j. Effective and efficient financial instruments' implementation with funds from the European structural and investment funds
- k. Protection of countrywide values and cultural heritage;
- l. Establishment of conditions for secure, efficient, and environmentally friendly energy:
  - ensuring the energy supplies' security with the best possible utilization of local energy resources;
  - ensuring the internal energy market's functioning and the connectivity of the energy system with the energy networks in the region;
  - preserving and developing the capacity of nuclear energy, safe management of spent nuclear fuel and radioactive waste;
  - promotion of research and design activities in connection with the exploitation of local energy resources;
  - preservation and development of the only notified body for the assessment of the conformity of explosives for civil purposes;
  - maintenance of a high degree of publicity of the activity carried out by the enterprises.

2) Delivery of goods or services of strategic significance:

- a. Construction, use and maintenance of the national postal network, including in remote and sparsely populated regions of the country;
- b. Provision of air navigation services for civil air transport, according to Art. 53 of the Civil Aviation Act;
- c. Production, extraction, import, transfer and trade of energy resources (electricity and heat, natural gas, coal);
- d. Decommissioning of shut-down nuclear facilities and safe management of radioactive waste;
- e. Production of goods and provision of services in the field of health care:

- ensuring health care in accordance with the condition and needs of the population, determined within the framework of the national and regional health maps, providing affordable and quality hospital care for all social groups of the population;
  - meeting the needs of the national health care for high-quality, effective and safe biological products - production of biological preparations for the prevention, diagnosis and treatment of infectious diseases;
  - conducting a national policy in the field of children's health care by building a National Multiprofile Children's hospital;
  - promotion of policies in the field of health tourism by maintaining a structure providing combined: balneotherapy, hotel accommodation, medical and rehabilitation services.
- f. Provision of services in the field of hazardous waste management from hospitals and other healthcare facilities;
- g. provision of services in the field of non-formal education;
- h. provision of traffic management services and shipping information services and provision of river information services to shipping traffic;
- i. provision of passenger transport services by rail transport;
- 3) Carrying out economic activity under the conditions of a natural monopoly:
- Provision of services for water supply, wastewater discharge and treatment.
- 4) Carrying out economic activities in conditions of state monopoly (or oligopoly), when market regulation is considered impossible or ineffective:
- Management of the country's gas transmission network, import and export of natural gas;
  - Management of the country's electricity transmission system and intersystem exchanges of electrical energy;
  - Management of economic activity in places of deprivation of liberty, including - employment of incarcerated persons; commercial activity in commercial establishments in places of deprivation of liberty; agricultural activity and production of products intended for sale on the free market, by persons deprived of liberty.

### **3. Expected development of public enterprises**

The establishment of new state-owned public enterprises - commercial companies is within the powers of the Council of Ministers, according to the Constitution and the Public Enterprises Act, and is carried out by order.

Created by special laws on the basis of Art. 62,  
para. 3 of the Commercial Act

SE "CONTROL AND MANAGEMENT OF DAMS", SOFIA  
SE "STATE OIL COMPANY", SOFIA  
SE "RADIOACTIVE WASTE", SOFIA  
SE "PORT INFRASTRUCTURE", SOFIA  
SE "BULGARIAN AIR TRAFFIC SERVICES AUTHORITY" SOFIA  
SE "NATIONAL RAILWAY INFRASTRUCTURE COMPANY", SOFIA  
SE "BULGARIAN SPORTS TOTALIZER", SOFIA  
SE "SOUTH- WEST STATE ENTERPRISE"- BLAGOEVGRAD  
SE "SOUTH-EAST STATE ENTERPRISE" – SLIVEN  
SE "SOUTH-CENTRAL STATE ENTERPRISE" – SMOLYAN  
SE "NORTH-WEST STATE ENTERPRISE "-VRATSA  
SE "NORTH-EAST STATE ENTERPRISE – SHUMEN  
SE "NORTH-CENTRAL STATE ENTERPRISE" - GABROVO  
SE "KABIUK", SHUMEN  
SE „RESEARCH AND PRODUCTION CENTER“, SOFIA  
SE "PRISONS PRODUCTION", SOFIA  
SE "BULGARIAN-GERMAN VOCATIONAL TRAINING CENTRE", SOFIA  
SE ENTERPRISE FOR MANAGEMENT OF ENVIRONMENTAL PROTECTION  
ACTIVITIES /EMEP /, SOFIA

By its decision of 18.03.2021, the Council of Ministers adopted an analysis on the state-owned enterprises, established by special laws based on Art. 62, para. 3 of the Commercial Act to clarify the nature of the activity carried out by them, with which the restructuring of these enterprises in the following years into commercial companies or administrative structures shall be initiated.

The conversion or termination of sole trading companies with state participation in the capital shall be carried out by the Council of Ministers or by the ministers according to their sectoral competence, after justified proof of the need for conversion and an individual approach to each enterprise.

The termination of a state-owned enterprise created by a special law within the meaning of Art. 62, para. 3 of the Commercial Act shall be performed by the National Assembly by law.

The expected development of public enterprises will depend on the extent to which they correct market defects with their activities, whether they provide revenues to the budget, whether they perform special functions related to state security, and whether the state has not decided to privatize or terminate enterprises for reasons related to international agreements.

In the planning horizon of the *Program for the development of the defence capabilities of the Bulgarian Armed Forces 2032*, the Ministry of Defense envisages a phased divestiture of those trading companies with no contribution to the capabilities or operations of the Armed Forces.

Privatization of shares and shares of commercial companies with state participation in the capital shall be carried out in accordance with the Privatization and Post-Privatization Control Act by the Public Enterprises and Control Agency.

## **II. OBJECTIVES THAT THE STATE SETS FOR ITSELF AS OWNER OF PUBLIC ENTERPRISES**

### **1. General objectives of the state as owner**

The main objective of the state is to achieve the best possible economic and social outcome. The total economic result represents the price of the owned stocks and shares based on equity and their annual dividend yield. The expected public outcome is the most effective achievement of public policy goals.

The goals set by the State with its ownership in public enterprises (according to Article 7 of the IRPEA) can be long-term term (for two business cycles for a period of 6 or 10 years, and medium-term (for one business cycle of 3 to 5 years) – for each enterprise.

The Policy of state ownership in public enterprises (according to Art. 8 of the IRPEA) shall define the general objectives of long-term nature in accordance with the rationale for state ownership, as well as the expected results.

Long-term objectives may be financial as well as non-financial and may relate to the entire public sector or to a specific part of it, depending on the grouping of public enterprises. The expected results are initially foreseen policy benchmarks that allow for measuring the degree to which each of the objectives has been achieved.

For each of the objectives (long and medium term), key performance indicators are set (according to article 9 of the IRPEA) that should be:

- relevant to the set goals;
- clear, specific and measurable – have a baseline value, a target value and a clearly defined data source that provides information on performance on an annual basis and as a final result;
- reliable and comparable.

### **2. General financial objectives**

Financial objectives are among the main tools in the management of state-owned enterprises. When setting financial objectives, the state stimulates the improvement of the enterprises' financial position, through realistic forecasts and incentives:

- achieving capital efficiency;
- reduction of financial risk;
- provision of a dividend yield.

### 3. General non-financial objectives

- Adherence to the OECD Guidelines on Corporate Governance of State-Owned Enterprises;
- Improving corporate governance;
- Publicity and transparency of the public enterprises' activity;
- Compensation of market defects by public enterprises performing activities that provide goods and services of social purpose related to energy independence, national security and other goals that cannot be achieved through commercial competitive practices;
- Adherence to the Guidelines on Anti-Corruption and Integrity in State-Owned Enterprises;
- Public enterprises' activity adaptation and engagement to the current and potential impacts related to climate change.
- Strengthening the function of the state as the owner and applying the standards of good corporate governance with a view to increasing the efficiency and activity of public enterprises.
- Implementation of a set of measures and investments, which adhere to the principle of “do no significant harm” to the environmental objectives within the meaning of Article 17 of Regulation (EU) 2020/852.
- Full participation of stakeholders in business and transparency of information related to the activities of state-owned enterprises

### III. THE ROLE OF THE STATE IN PUBLIC ENTERPRISES' GOVERNANCE

The state exercises its powers as an owner by not allowing political interference in the enterprise governance.

#### 1. Model of exercise of state's property rights in public enterprises

The model of exercising the property rights of the state as owner is based on the following: The state is the sole owner of the capital, and the Constitution of the Republic of Bulgaria (Art. 106) entrusts the Council of Ministers with the management of state property.

The Council of Ministers may delegate its powers to individual ministers. As a result of the delegation of powers to the Council of Ministers, in practice there is decentralization in the management of state public enterprises, according to the OECD criteria for the governance of state property.

The rights of the State in public enterprises (according to article 11 of the IRPEA) shall be exercised in a professional and predictable manner, in accordance with the accepted principles of corporate governance and in strict separation of the functions of an owner from the other functions performed by the State in the formulation of policies and regulations.

***The State exercises ownership rights in public enterprises based on the following principles:***

- all partners and shareholders shall be treated equally;
- the exercise of state rights in public enterprises shall be carried out in a transparent and accountable manner;
- the State acts as an informed and active owner;
- the State shall allow public enterprises to have operational autonomy to achieve the set objectives;
- the State shall refrain from interfering with the operational management of the enterprises;
- combining financial and non-financial public policy objectives, with transparency and disclosure of results addressing both objectives;
- the access of public enterprises to debt and equity financing of their economic activities shall be carried out at market conditions;
- the members of the management and control bodies in public enterprises shall be selected and appointed through a competitive procedure aimed at the formation of professional and independent management and control bodies.

## **2. Management and control bodies**

According to the Public Enterprises Act, all members of the management and control bodies shall be elected and appointed after a competitive procedure. The law establishes conditions for the election of members of the governing bodies with high qualities, professionalism and operational independence.

The competitive procedures for their election shall be based on predetermined selection criteria and clearly defined requirements for occupying the position.

The Public Enterprises Act's provisions envisage that the management and control bodies should be composed, both of representatives of the state and independent members, as well the latter should be not less than one-third, but not more than one-half of the body composition.

The remuneration of the members of the management and control bodies shall be determined in accordance with the normative requirements of Art. 56 of the IRPEA.

## **IV. INDICATORS FOR THE PERFORMANCE OF FINANCIAL AND NON-FINANCIAL OBJECTIVES**

The variety of activities and sectors in which the state public enterprises operate suggests that, when formulating the objectives set by the Policy, should be used the grouping of public enterprises depending on the nature of their activities - in Groups A and B.



## ***Grouping of public enterprises depending on the nature of the performed activity***

**Group A.** Enterprises carrying out mainly commercial activity:

**A1.** Enterprises carrying out primarily commercial activity (participating in a competitive, free market for attracting customers) shall be financed from their own revenues and/or from funds raised on the financial markets;

**A2.** Enterprises carrying out commercial activities and carrying out public functions and policies, as part of their activity shall be financed by the state, and/or the prices of the goods and services they provide are subject to regulation.

**Group B.** Enterprises implementing primarily public functions and policies:

**B1.** Enterprises operating in the field of health care;

**B2.** Enterprises, one part of which shall be financed entirely by the state, another part shall be financed by the state and from the revenues from their own activity and/or from revenues determined by special laws, and a third part - from the revenues from their own activity and/or from revenues determined by special laws.

Some of the enterprises have characteristics allowing them to be referred to more than one group. Allocation considers the compliance with the majority of criteria distinguishing a given group. According to the thus determined criteria for grouping the enterprises, a total of 118 enterprises fall into group A, of which 79 enterprises are group A1 and 39 enterprises in group A2. Group B includes 146 enterprises, respectively 125 enterprises in group B1 and 21 enterprises in group B2 /Appendix 1/.

### **1. Indicators of the financial objectives' performance**

The key indicators of the financial objectives' performance in the long term, for two business cycles - for a period of six, respectively a period of ten years (depending on the period of operation of the public enterprise's business program), should reach the acceptable values for the relevant coefficient, as:

**For group A** - the category of enterprises carrying out mainly commercial activity:

- Cost efficiency,  $\geq 1$ ;
- Return on Equity;
- Indebtedness ratio,  $\leq 1$ ;
- Total liquidity,  $\geq 1$ ;

**For group B** – the category of enterprises performing primarily public functions and policies:

- Cost efficiency,  $\geq 1$ ;
- Indebtedness ratio,  $\leq 1$ ;

- Total liquidity,  $\geq 1$ ;

## **2. Indicators of non-financial objectives' performance**

The non-financial objectives of any public enterprise shall include:

- Objectives arising from the public enterprise's strategic goal;
- General objectives, including the following categories: social policy, environmental agenda, anti-corruption, and corporate governance.

For the purposes of the assessment of the business programs' performance, all public enterprises fill in forms representing Appendix 2, in which they shall indicate the indicators for the financial objectives' performance, as well as the non-financial objectives arising from the strategic goal, with indicators of their performance.

## **V. ROLE AND RESPONSIBILITIES OF MINISTERS EXERCISING THE RIGHTS OF THE STATE IN ENTERPRISES AND OTHER STATE ORGANIZATIONS INVOLVED IN POLICY IMPLEMENTATION**

The Council of Ministers shall approve the Policy on State Participation in Public Enterprises, as well as its update, shall establish new commercial companies with state participation and shall approve the general dividend policy.

Sectoral ministers who are delegated to exercise the rights of the state in the capital of state-owned public enterprises, when they control more than 50 percent of the shares/voting shares or otherwise exercise a dominant influence in the enterprises' capital, shall make decisions to increase or capital reduction, for changes in the articles of incorporation/statutes, appointment of management and control bodies, for adoption of the annual financial report, for election of independent auditors, for approval of medium-term goals and planned results for each individual enterprise as part of its business program for the management and disposal of properties and belongings - state property, in accordance with the competence granted to them.

Other governmental organizations involved in the policy implementation:

The Audit Office shall perform audits of state-owned enterprises under Art. 62, para. 3 of the Commercial Law and of commercial companies with 50 and over 50 percent state and/or municipal participation in the capital, with a view to the lawful, effective, efficient and economical management of public funds and activities and shall provide the National Assembly with information about this.

Public Financial Inspection Agency shall carry out financial inspections in public enterprises for compliance with the normative acts that regulate the budgetary, financial, economic or reporting activities as well as the activity of awarding and executing public contracts.

The Energy and Water Regulatory Commission (EWRC) is an independent specialized state body. In exercising its powers, EWRC is independent from the executive authority and its activities are carried out based on independence, impartiality, professionalism, integrity, consistency, publicity and transparency. The Commission reports on its activities to the National Assembly.

EWRC shall examine and resolve the issues related to the regulation of business plans and prices in the energy sector and of Water Supply & Sewerage services and the complaints received in two panels, as follows: 1. Panel “Energy” and 2. Panel “Water Supply and Sewerage”.

The Commission, in carrying out its regulatory powers under the Energy Act, shall be guided by general principles such as: prevention and non-allowance of limiting or distorting competition on the energy market, ensuring a balance between the interests of energy enterprises and customers, ensuring equality between the individual categories of energy enterprises and between types of customers, etc.

The Commission regulates water supply and sewerage services. The commission shall regulate the prices and quality of the Water supply and Sewerage services performed by all enterprises with the scope of business Water supply & Sewerage services, the so-called W&S operators, including the enterprises under the Water Supply and Sewerage Services Regulation Act.

Commission on Protection of Competition is an independent specialized state body that is authorized to implement the Protection of Competition Act (PCA), the Public Procurement Act (PPA) and the Concessions Act (PA).

The CPC ascertains infringements of free competition according to the provisions of the PCA and/or Art. 101 and Art. 102 of the Treaty on the Functioning of the European Union, carries out sector analyzes and competition advocacy. The CPC is the national competition authority that cooperates with the European Commission and the other national competition authorities of the EU member states pursuant to Regulation (EC) No. 1/2003 and Regulation (EC) No. 139/2004.

The Commission examines and pronounces on the appeals on lawfulness of a decision, actions or lack of actions/omissions of the contracting authorities or concessioners in the public procurement or concession awarding procedure according to the Public Procurement Act and the Concession Act.

The Commission carries out sectoral analysis in cases where competition in a particular sector, industry, sub-industry or region may be prevented, restricted or impaired, as well as competition advocacy.

The Financial Supervision Commission is a specialized government body for regulation and control over different segments of the financial system – capital market, insurance market, health insurance market, pension insurance market. The Commission is an institution that is

independent from the executive authority and reports its activity to the National Assembly of the Republic of Bulgaria.

The primary mission of the institution is to assist through legal, administrative and informational means for the maintenance of stability and transparency on the non-banking financial sector, and to ensure the protection of investor's interests, policy holders and insured individuals.

The Communications Regulation Commission is a specialised independent government body, implementing the functions of regulation and control by exercising its powers defined in the Electronic Communications Act (ECA), the Postal Services Act (PSA), the Electronic Document and Electronic Signature act (EDETSA), the Electronic Communications Networks and Physical Infrastructure Act, Regulation (EU) No. 910/2014 of the European Parliament and of the Council of 23 July 2014 on electronic identification and trust services for electronic transactions in the internal market and repealing Directive 1999/93/EC (Regulation (EU) No.910/2014), Regulation (EU) No.531/2012 of the European Parliament and of the Council of 13 June 2012 on roaming on public mobile communications networks within the Union (Regulation (EU) No. 531/2012), Regulation (EU) No.2015/2120 of the European Parliament and of the Council of 25 November 2015 laying down measures concerning open internet access and retail charges for regulated intra-EU communications and amending Directive 2002/22/EC of the European Parliament and of the Council of 7 March 2002 on universal service and users' rights relating to electronic communications networks and services (Universal Service Directive) and Regulation (EU) No 531/2012 on roaming on public mobile communications networks within the Union ( Regulation (EU) No.2015/2120) and other normative acts by issuing individual, general and normative administrative acts.

## CONCLUSION

The Public Enterprises Act and its Implementing Rules establish the legal framework for improving corporate governance, following as much as possible the OECD Guidelines for Corporate Governance of State-Owned Enterprises, so that the state's role as owner to be clearly separated from its other functions.

To the Public Enterprises and Control Agency is assigned the role of coordinating unit regarding the state-owned public enterprises in the relationship between the bodies exercising the rights of the state and the public enterprises themselves.

The implementation of competitive neutrality guarantees equal conditions and fair competition in the market. To achieve it, it is necessary that the tax and regulatory treatment of state-owned public enterprises is the same as that of private enterprises.

For state-owned public enterprises, the Accounting Act, the Tax and Insurance Procedure Code, the State Aid Act, the Value Added Tax Act, the Corporate Income Tax Act, the Local Taxes and

Fees Act, the Public Procurement Act, the Financial Management and Control in the Public Sector Act, etc., shall apply on general basis. They shall be subject to the same registration and licensing regimes, where required, as private enterprises.

Public policy objectives are assigned for implementation to a part of the public enterprises. Regarding them, appropriate practices should be put in place for the transparency and disclosure of the related to these objectives' costs in a way that allows for tracking their adequate compensation and (where applicable) the related funding provided by the state budget, i.e. the costs and financing of the provision of public services shall be disclosed in the financial statements.

		LIST OF PUBLIC ENTERPRISES		APPENDIX 1	
No.	Ministry	Ministry No.	DESIGNATION	STATE PARTICIPATION %	GROUPS
			Ministry of e-Governance		
1	MeG	1	"INFORMATION SERVICES" AD, SOFIA	99.50 %	A1
			MINISTRY OF INNOVATION AND GROWTH		
2	MIG	1	"FUND MANAGER OF FINANCIAL INSTRUMENTS IN BULGARIA" EAD, SOFIA	100%	A2
3	MIG	2	"SOFIA TECH PARK" AD, SOFIA	92.14% MIG, 3.37% "SCC" EAD and 4.49% STP	A1
			MINISTRY OF ECONOMY AND INDUSTRY		
4	MEI	1	SE "CONTROL AND MANAGEMENT OF DAMS", SOFIA	100%	B2
5	MEI	2	SE "STATE OIL COMPANY", , SOFIA	100%	B2
6	MEI	3	"BULGARIAN EXPORT INSURANCE AGENCY" EAD, SOFIA	100%	A1
7	MEI	4	"NATIONAL COMPANY INDUSTRIAL ZONES" EAD, SOFIA	100%	A1
8	MEI	4.1	"ROUSSE FREE ZONE" EAD, RUSE	100% "NCIZ" EAD	A1
9	MEI	4.2	"INDUSTRIAL AND LOGISTIC PARK - BURGAS" AD, BURGAS	66.78% "NCIZ" EAD	A1
10	MEI	4.3	"INDUSTRIAL SITES AND WAREHOUSES" PLC, SOFIA	100% "NCIZ" EAD	A1
11	MEI	5	"STATE CONSOLIDATION COMPANY" EAD, SOFIA	100%	A1
12	MEI	5.1	"EKO ANTRATSIT" EAD, SOFIA	100% "SCC" EAD	B2
13	MEI	5.2	"NITI" EAD, KASANLAK	100% "SCC" EAD	A1
14	MEI	5.3	"NATIONAL WINE AND SPIRITS RESEARCH INSTITUTE EOOD, SOFIA	100% "SCC" EAD	A1
15	MEI	5.4	"INSTITUTE OF MARKETING" EOOD, SOFIA	100% "SCC" EAD	A1

16	MEI	5.5	“LB BULGARICUM” EAD, SOFIA	100% "SCC" EAD	A1
17	MEI	5.6	“MONTAGI” EAD, SOFIA	100% "SCC" EAD	A1
18	MEI	5.7	"KINTEX EAD, SOFIA	100% "SCC" EAD	A1
19	MEI	5.8	"VAZOVSKI MACHINOSTROITELNI ZAVODI", SOPOT	100% "SCC" EAD	A1
20	MEI	5.9	"ECOENGINEERING – RM" EOOD, SOFIA	100% "SCC" EAD	B2
21	MEI	5.10	"AVIONAMS" AD, PLOVDIV	99,97% "SCC" EAD	A2
22	MEI	6	" PLOD ZELENCHUK", EOOD, GABROVO	100%	A1
23	MEI	7	“PAZAR ZA PLODOWE, ZELENTCHUCI I CWETIA”AD, SLIVEN	94.36%	A1
			<b>MINISTRY OF ENERGY</b>		
24	ME	1	SE “RADIOACTIVE WASTE”, SOFIA	100%	B2
25	ME	2	"BULGARIAN ENERGY HOLDING", SOFIA	100%	A1
26	ME	2.1	"KOZLODUY NPP" EAD, KOZLODUY	100% "BEH" EAD	A1
27	ME	2.2	"NATSIONALNA ELEKTRICHESKA KOMPANIA" EAD , SOFIA	100% "BEH" EAD	A2
28	ME	2.3	"ELECTRICITY SYSTEM OPERATOR” EAD, SOFIA	100% "BEH" EAD	A2
29	ME	2.4	"MINI MARITSA IZTOK EAD", RADNEVO	100% "BEH" EAD	A1
30	ME	2.5	"TPP MARITSA EAST 2" EAD, VILLAGE OF KOVACHEVO, MUNICIPALITY OF RADNEVO	100% "BEH" EAD	A1
31	ME	2.6	"BULGARGAZ" EAD , SOFIA	100% "BEH" EAD	A2
32	ME	2.7	“BULGARTRANSغاز” EAD , SOFIA	100% "BEH" EAD	A2
33	ME	3	“MINPROEKT” EAD, SOFIA	100%	A1
			<b>MINISTRY OF TOURISM</b>		
34	MT	1	“SLANTCHEV BRIAG” AD, NESEBAR	75%	A1
			<b>MINISTRY OF TRANSPORT AND COMMUNICATION</b>		

35	MTC	1	STATE ENTERPRISE "PORT INFRASTRUCTURE", SOFIA	100%	B2
36	MTC	2	STATE ENTERPRISE "BULGARIAN AIR SERVICE AUTHORITY", SOFIA	100%	B2
37	MTC	3	STATE ENTERPRISE "NATIONAL RAILWAY INFRASTRUCTURE COMPANY", SOFIA	100%	B2
38	MTC	4	"HOLDING BDZ" EAD, SOFIA	100%	A1
39	MTC	4.1	"BDZ PASSENGER SERVICES" LTD, SOFIA	100% "Holding" - BDZ EAD	A2
40	MTC	4.2	"BDZ CARGO SERVICES LTD", SOFIA	100% "Holding" - BDZ EAD	A1
41	MTC	5	"BULGARIAN POSTS" PLC, SOFIA	100%	A2
42	MTC	6	"PORT VARNA" EAD, VARNA	100%	A1
43	MTC	7	"PORT OF BURGAS" EAD, BURGAS	100%	A1
44	MTC	8	"PORT COMPLEX RUSE" EAD, RUSE	100%	A1
45	MTC	9	"PORT OF VIDIN" EOOD, VIDIN	100%	A1
46	MTC	10	"SOFIA AIRPORT" EAD, SOFIA	100%	A1
47	MTC	11	"PLOVDIV AIRPORT" EAD, PLOVDIV	100%	A1
48	MTC	12	"COMMUNICATIVE CONSTRUCTION AND REHABILITATION EAD", SOFIA	100%	A1
49	MTC	13	"GORNA ORYAHOVITSA AIRPORT" EOOD, GORNA ORYAHOVITSA	100%	A1
50	MTC	14	"TRANSPORT CONSTRUCTION AND RECOVERY" EAD, SOFIA	100%	A1
51	MTC	15	"BULGARIAN MARITIME TRAINING CENTRE" EAD, VARNA	100%	A1
52	MTC	16	"TRANSPORT DIAGNOSTIC-CONSULTING CENTER" EOOD, BURGAS	100%	B1
53	MTC	17	"MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT VARNA" EOOD, VARNA	100%	B1
54	MTC	18	"BULGARIA HELI MED SERVICE" EAD, SOFIA	100%	B2
			<b>MINISTRY OF FINANCE</b>		
55	MF	1	"BULGARIAN STOCK EXCHANGE" EAD, SOFIA	50.05%	A1



56	MF	1.1	"FINANCIAL MARKET SERVICES" EODD, SOFIA	100% "BSE" EAD	A1
57	MF	1.2	"INDEPENDENT BULGARIAN ENERGY EXCHANGE" EAD, SOFIA	100% "BSE" EAD	A1
			<b>MINISTRY OF LABOR AND SOCIAL POLICY</b>		
58	MLSP	1	SE "BULGARIAN-GERMAN VOCATIONAL TRAINING CENTRE", SOFIA	100%	B2
			<b>MINISTRY OF YOUTH AND SPORTS</b>		
59	MYS	1	STATE ENTERPRISE "BULGARIAN SPORTS TOTALIZER", SOFIA	100%	B2
60	MYS	2	"NATIONAL SPORTS BASE" EAD, SOFIA	100%	A1
61	MYS	3	"ACADEMICA 2011" EAD, SOFIA	100%	A1
62	MYS	4	"SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT IN ORTHOPEDICS, TRAUMATOLOGY AND SPORTS MEDICINE - PROF. DR DIMITAR SHOILEV" EAD, SOFIA	100%	B1
63	MYS	5	"SERDIKA SPORTNI IMOTI" EAD, SOFIA	100%	A1
			<b>MINISTRY OF EDUCATION AND SCIENCE</b>		
64	MES	1	"STUDENT CANTEENS AND HOSTELS" EAD, SOFIA	100%	A2
65	MES	2	"EDUCATION AND SCIENCES" EAD	100%	A1
66	MES	3	"UCHENICHESKI OTDIH I SPORT" EAD	100%	A1
			<b>MINISTRY OF AGRICULTURE</b>		
67	MA	1	SE „RESEARCH AND PRODUCTION CENTER“, SOFIA	100% Agricultural Academy	B2
68	MA	2	"SOUTH- WEST STATE ENTERPRISE"- BLAGOEVGRAD	100%	B2
69	MA	3	"SOUTH-EAST STATE ENTERPRISE" – SLIVEN	100%	B2
70	MA	4	"SOUTH-CENTRAL STATE ENTERPRISE" – SMOLYAN	100%	B2
71	MA	5	"NORTH-WEST STATE ENTERPRISE"- VRATSA	100%	B2
72	MA	6	"NORTH-EAST STATE ENTERPRISE – SHUMEN	100%	B2

73	MA	7	"NORTH-CENTRAL STATE ENTERPRISE" - GABROVO	100%	B2
74	MA	8	SE "KABIUK", SHUMEN	100%	B2
75	MA	9	"AGROVODINVEST" EAD, SOFIA	100%	A1
76	MA	10	"AGROLESPROJEKT" EOOD, SOFIA	100%	A1
77	MA	11	"VRANA" EAD, SOFIA	100%	A1
78	MA	12	"ZEMINVEST" EAD, SOFIA	100%	A1
79	MA	13	"IRRIGATION SYSTEMS" EAD, SOFIA	100%	A1
80	MA	14	"SORTOVI SEMENA-ELIT" EAD, SOFIA	100%	A1
81	MA	15	"FISHERIES STOCK" EOOD, SOZOPOL	100%	A1
82	MA	16	"SISTEMA ZA AGROPAZARNA INFORMATSIYA" EOOD, SOFIA	100%	A1
83	MA	17	"AGRICULTURE SERVICES " OOD, village MAMARCHEVO	99.95%	A1
84	MA	18	"TSEH ZA HMELOV GRANULAT " LTD, KOSTANDOVO	100%	A1
			<b>MINISTRY OF DEFENCE</b>		
85	MD	1	"TEREM HOLDING" EAD	100%	A1
86	MD	1.1	"TEREM – TZAR SAMUIL" EOOD, KOSTENETS	100%	A1
87	MD	1.2	"TEREM-SHIPYARD FLOTSKI ARSENAL – VARNA" EOOD, VARNA	100%	A1
88	MD	1.3	"TEREM – IVAILO" EOOD, VELIKO TARNOVO	100%	A1
89	MD	1.4	"TEREM–KHAN KRUM" EOOD, TARGOVISHTTE	100%	A1
90	MD	1.5	"TEREM–LETETS" EOOD, SOFIA	100%	A1
91	MD/MI	2	"INTENDANSTKO OBSLUJVANE" EAD, SOFIA	100%	A1
92	MD	3	"PRONO" EOOD, SOFIA	100%	A1
93	MD	4	"ARMSTROYINVEST" EOOD, SOFIA	100%	A1
94	MD	5	"MOBA" EOOD, SOFIA	100%	A1

95	MD	6	“MOD PROCUREMENT AND TRADE” SOFIA	100%	A1
96	MD	7	“DIAGNOSTICS AND CONSULTANCY CENTER SVETI GEORGI” EOOD, HASKOVO	100%	B1
97	MD	8	“DIAGNOSTICS-CONSULTATION CENTRE SAINT GEORGE THE VICTORIOUS” EOOD, BURGAS	100%	B1
98	MD	9	SPECIALIZED HOSPITAL FOR REHABILITATION – VITA LTD – VELINGRAD	100%	B1
99	MD	10	“SPECIALIZED HOSPITAL FOR REHABILITATION – SVETA BOGORODITSA” EOOD, VILLAGE NARECHENSKI BANI	100%	B1
			<b>MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS</b>		
100	MRDPW	1	“BULGARIAN W&S HOLDING” EAD, SOFIA	100%	A2
101	MRDPW	1.1	“WATER SUPPLY AND SEWERAGE” EOOD, BLAGOEVGRAD	100%	A2
102	MRDPW	1.2	“WATER SUPPLY AND SEWERAGE - VIDIN” EOOD, VIDIN	100%	A2
103	MRDPW	1.3	“WATER SUPPLY AND SEWERAGE SERVICES” EOOD, PAZARDZHIK	100%	A2
104	MRDPW	1.4	“WATER SUPPLY AND SEWERAGE” EOOD, PLEVEN	100%	A2
105	MRDPW	1.5	“WATER SUPPLY AND SEWERAGE” EOOD, PLOVDIV	100%	A2
106	MRDPW	1.6	“WATER SUPPLY - DUNAV” EOOD, RAZGRAD	100%	A2
107	MRDPW	1.7	“WATER SUPPLY AND SEWERAGE” EOOD, SMOLYAN	100%	A2
108	MRDPW	1.8	“WATER SUPPLY AND SEWERAGE” EOOD, SOFIA	100%	A2
109	MRDPW	1.9	“WATER SUPPLY AND SEWERAGE” EOOD, STARA ZAGORA	100%	A2
110	MRDPW	1.10	“WATER SUPPLY AND SEWERAGE” LTD., HASKOVO	100%	A2
111	MRDPW	1.11	“WATER SUPPLY AND SEWERAGE” EOOD, YAMBOL	100%	A2
112	MRDPW	1.12	“WATER SUPPLY AND SEWERAGE - VARNA” EOOD, VARNA	51%	A2
113	MRDPW	1.13	“WATER SUPPLY AND SEWERAGE” EOOD, GABROVO	51%	A2
114	MRDPW	1.14	“WATER SUPPLY AND SEWERAGE – SLIVEN” EOOD, SLIVEN	51%	A2

115	MRDPW	1.15	“WATER SUPPLY AND SEWERAGE – SHUMEN” OOD, SHUMEN	51%	A2
116	MRDPW	1.16	“WATER SUPPLY AND SEWERAGE” OOD, TARGOVISHTE	51%	A2
117	MRDPW	1.17	“KYUSTENDILSKA VODA” EOOD, KYUSTENDIL	100%	A2
118	MRDPW	1.18	“WATER SUPPLY AND SEWERAGE” EAD, BURGAS	100%	A2
119	MRDPW	1.19	“WATER SUPPLY AND SEWERAGE- DOBRICH” AD, DOBRICH	89,11% "Bulgarian W&S Holding" EAD; 8,21 % MRDPW	A2
120	MRDPW	1.20	“WATER SUPPLY AND SEWERAGE” OOD, VRATSA	51%	A2
121	MRDPW	1.21	"W&S"AD, LOVECH	51%	A2
122	MRDPW	1.22	“WATER SUPPLY AND SEWERAGE” OOD, MONTANA	51%	A2
123	MRDPW	1.23	“WATER SUPPLY AND SEWERAGE” OOD, PERNIK	51%	A2
124	MRDPW	1.24	“W&S ENERGY GROUP” LTD., SOFIA	100%	A1
125	MRDPW	2	“WATER SUPPLY AND SEWERAGE YOVKOVTSI” LTD, VELIKO TARNOVO	51%	A2
126	MRDPW	3	“WATER SUPPLY AND SEWERAGE” OOD, ISPERIH	51%	A2
127	MRDPW	4	“WATER SUPPLY AND SEWERAGE” OOD, KARDZHALI	51%	A2
128	MRDPW	5	“WATER SUPPLY AND SEWERAGE” OOD, RUSE	51%	A2
129	MRDPW	6	“WATER SUPPLY AND SEWERAGE” OOD, SILISTRA	51%	A2
130	MRDPW	7	“AVTOMAGISTRALI” EAD, SOFIA	100%	A1
131	MRDPW	8	“BUILDING RESEARCH INSTITUTE – NISI” EOOD, SOFIA	100%	A1
132	MRDPW	9	“NATIONAL CENTRE FOR REGIONAL DEVELOPMENT (NCRD)” EAD, SOFIA	100%	B2
133	MRDPW	10	“FUND FLAG” EAD, SOFIA	100%	A1
134	MRDPW	10.1	“FUND FOR SUSTAINABLE URBAN DEVELOPMENT” EAD, SOFIA	100%	A1
135	MRDPW	11	“PROINVEX” EOOD, SOFIA	100%	A1
136	MRDPW	12	“GEOHAZARDS PROTECTION”, EOOD, VARNA	100%	A1

			<b>MINISTRY OF JUSTICE</b>		
137	MJ	1	SE "PRISONS PRODUCTION", SOFIA	100%	B2
			<b>MINISTRY OF FOREIGN AFFAIRS</b>		
138	MFA	1	"DIPLOMATIC PROPERTIES IN THE COUNTRY AGENCY (ADIS)" EOOD, SOFIA	100%	A1
			<b>MINISTRY OF INTERIOR</b>		
139	MI	1	"CONTACTLESS MULTIPLEXING SYSTEMS" OOD, SOFIA	100%	A1
			<b>MINISTRY OF CULTURE</b>		
140	MC	1	"ALLIANCE" OOD, SOFIA	100%	A1
141	MC	2	"RESTAVRACIA" EAD, SOFIA	100%	A2
142	MC	3	"AUDIOVIDEO ORPHEUS" INC, SOFIA	100%	A1
143	MC	4	"NATIONAL MUSIC AGENCY" EOOD, SOFIA	100%	A1
144	MC	5	"VREME FILM STUDIO" EOOD SOFIA	100%	A1
145	MC	6	"NATIONAL PALACE OF CULTURE - CONGRESS CENTRE SOFIA (NDK)" EAD, SOFIA	100%	A1
			<b>MINISTRY OF HEALTH</b>		
146	MH	1	<b>"MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT (MPHAT)- BLAGOEVGRAD"AD, BLAGOEVGRAD</b>	84.39 %	B1
147	MH	1.1	"MEDITSINSKI TSENTAR - BLAGOEVGRAD 2009" EOOD, BLAGOEVGRAD	100% MPHAT- Blagoevgrad AD	B1
148	MH	2	<b>"MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT – BURGAS" AD, BURGAS</b>	88.73%	B1
149	MH	2.1	"MEDICAL CENTRE "SV. NIKOLAY CHUDOTVORETS" EOOD, BURGAS	100% "MPHAT – Burgas" AD	B1
150	MH	3	<b>MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT "SVETA ANNA- VARNA"AD, VARNA</b>	70.24%	B1
151	MH	3.1	MEDICAL CENTRE "SVETA ANNA" EOOD, VARNA	100% MPHAT "Sveta Anna- Varna"AD	B1
152	MH	4	<b>MULTIPROFILE REGIONAL HOSPITAL FOR ACTIVE TREATMENT "DR. STEFAN</b>	89.43%	B1

			<b>CHERKEZOV” AD, VELIKO TARNOVO</b>		
153	MH	4.1	DIAGNOSTIC CONSULTATIVE CENTER “Dr. Stefan Cherkeзов” EOOD	100% MPRHAT “Dr. Stefan Cherkeзов” AD	B1
154	MH	5	<b>MPHAT “SVETI PETKA”AD, VIDIN</b>	90.37%	B1
155	MH	5.1	MEDICAL CENTER “SVETI PETKA” EOOD, VIDIN	100% "MPHAT "SV.PETKA" AD	B1
156	MH	6	“MPHAT – HRISTO BOTEV” AD, VRATSA	82.15%	B1
157	MH	7	<b>MPHAT “DR. TOTA VENKOVA” AD, GABROVO</b>	91.78%	B1
158	MH	7.1	“HOSPITAL MEDICAL CENTER” EOOD, GABROVO	100% Mphat “Dr. Tota Venkova” AD	B1
159	MH	8	<b>“MPHAT DOBRICH” AD, DOBRICH</b>	68.09%	B1
160	MH	8.1	“MEDICAL CENTER – DOBRICH” EOOD, DOBRICH	100% “MPHAT Dobrich” AD	B1
161	MH	9	<b>MPHAT “DR. ATANAS DAFOVSKI” AD, KARDZHALI</b>	93.05%	B1
162	MH	9.1	"HOSPIS DOBROLUBIE" EOOD, KARDZHALI	100% MPHAT “Dr. Atanas Dafovski” AD	B1
163	MH	9.2	“MEDICAL CENTRE AVICENA” EOOD, KARDZHALI	100% MPHAT “Dr. Atanas Dafovski” AD	B1
164	MH	10	<b>MPHAT “DR. NIKOLA VASILEV” AD KYUSTENDIL</b>	85%	B1
165	MH	10.1	MEDICAL CENTRE “DR. NIKOLA VASILEV” EOOD, KYUSTENDIL	100% MPHAT “Dr. Nikola Vasilev” AD	B1
166	MH	11	<b>MPHAT – “PROF. DR. PARASKEV STOYANOV”AD, LOVECH</b>	74.25%	B1
167	MH	11.1	“MEDICAL CENTER – LOVECH” EOOD, LOVECH	100% MPHAT – “Prof. Dr. Paraskev Stoyanov”AD	B1
168	MH	12	<b>MPHAT – “DR. STAMEN ILIEV” AD, MONTANA</b>	94.65%	B1
169	MH	12.1	MEDICAL CENTER “DR. STAMEN ILIEV” EOOD, MONTANA	100% MPHAT – “Dr. Stamen Iliev” AD	B1
170	MH	13	<b>“MPHAT – PAZARDZHIK” AD, PAZARDZHIK</b>	80.73%	B1
171	MH	13.1	MEDICAL CENTER FOR OUTPATIENT CARE “VIVA” EOOD, PAZARDZHIK	100% “MPHAT – Pazardzhik” AD	B1
172	MH	14	<b>“MPHAT - RAHILA ANGELOVA” AD, PERNIK</b>	80.94%	B1

173	MH	14.1	“MEDICAL CENTER - PERNIK” EOOD, PERNIK	100% “MPHAT - Rahila Angelova” AD	B1
174	MH	14.2	“HOSPIS SVETI IVAN RILSKI” EOOD, PERNIK	100% “MPHAT - Rahila Angelova” AD	B1
175	MH	15	<b>UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT- PLOVDIV” AD, PLOVDIV</b>	80.30%	B1
176	MH	16	MPHAT “SV. IVAN RILSKI- RAZGRAD” AD, RAZGRAD	86.83%	B1
177	MH	17	<b>UMPHAT “KANEV” AD, RUSE</b>	84.03%	B1
178	MH	17.1	“MEDICAL CENTER - RUSE” EOOD, RUSE	100% UMPHAT "Kanev" AD, RUSE	B1
179	MH	18	<b>“MPHAT – SILISTRA” AD, SILISTRA</b>	78.87%	B1
180	MH	18.1	“MEDICAL CENTER SILISTRAL” EOOD	100% “MPHAT – Silistra” AD	B1
181	MH	18.2	"HOSPITAL TECHNO-SERVICE SILISTRA” EOOD	100% “MPHAT – Silistra” AD	B1
182	MH	19	<b>MPHAT "Dr. Ivan Seliminski Sliven” AD, SLIVEN</b>	88.79%	B1
183	MH	19.1	“MEDICAL CENTER – GEORGI VALKOV MIRKOVITCH” EOOD, SLIVEN	100% " MPHAT "Dr. Ivan Seliminski Sliven” AD	B1
184	MH	20	<b>MPHAT – “DR. BRATAN SHUKEROV” AD, SMOLYAN</b>	90.36%	B1
185	MH	20.1	“DCC (Diagnostic Consultative Center) SMOLYAN” EOOD, SMOLYAN	100% MPHAT – “Dr. Bratan Shukerov” AD	B1
186	MH	21	<b>MPHAT “Sveta Anna – Sofia” AD, SOFIA</b>	75.17%	B1
187	MH	21.1	“DIAGNOSTIC CONSULTATIVE CENTER SVETA ANNA” EOOD, SOFIA	100% MPHAT “Sveta Anna – Sofia” AD	B1
188	MH	22	<b>“UMPHAT – PROF. DR. ST. KIRKOVICH” AD, STARA ZAGORA</b>	88.87%	B1
189	MH	22.1	"MEDICAL CENTER - PROF. DR. ST. KIRKOVICH” EOOD, STARA ZAGORA	100% “UMPHAT – Prof. Dr. St. Kirkovich” AD	B1
190	MH	23	“MPHAT – TARGOVISHTTE” AD, TARGOVISHTTE	71.86%	B1
191	MH	24	<b>“MPHAT – HASKOVO” AD, HASKOVO</b>	82.67%	B1
192	MH	24.1	“MEDICAL CENTER – HASKOVO” EOOD, HASKOVO	100% “MPHAT – Haskovo” AD	B1

193	MH	25	<b>“MPHAT – SHUMEN” AD, SHUMEN</b>	64.61%	B1
194	MH	25.1	“MEDICAL CENTER MPHAT – SHUMEN” EOOD, SHUMEN	100% “MPHAT – Shumen” AD	B1
195	MH	26	<b>MPHAT “SV. PANTALEIMON - YAMBOL” AD, YAMBOL</b>	93.43%	B1
196	MH	26.1	“DIANAMED – 2001” EOOD, YAMBOL	100% MPHAT “Sv. Pantaleimon – Yambol” AD	B1
197	MH	27	<b>“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT IN OBSTETRICS AND GYNAECOLOGY - MAICHIN DOM” EAD, SOFIA</b>	100%	B1
198	MH	27.1	“MAICHIN DOM – MEDICAL CENTER” EOOD, SOFIA	100% “Specialized Hospital for Active Treatment in Obstetrics and Gynaecology - Maichin Dom” EAD	B1
199	MH	28	<b>MULTIPROFILE HOSPITAL FOR ACTIVE TREATMENT ON PULMONARY DISEASES “ST. SOFIA” EAD, SOFIA</b>	100%	B1
200	MH	28.1	“MEDICAL CENTER FOR SPECIALIZED OUTPATIENT MEDICAL CARE ON PULMONARY DISEASES ” EOOD, SOFIA	100% " MPHAT on Pulmonary Diseases "St. Sofia" EAD	B1
201	MH	29	<b>SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT IN ORTHOPAEDICS "PROF. BOICHO BOICHEV" EAD, SOFIA</b>	100%	B1
202	MH	29.1	“MC ORTOMED” EOOD, SOFIA	100% " SHATO “Prof. Boicho Boichev”EAD	B1
203	MH	30	<b>UMPHAT “SVETI IVAN RILSKI” EAD, SOFIA</b>	100%	B1
204	MH	30.1	DIAGNOSTIC CONSULTATIVE CENTER “SVETI IVAN RILSKI” EOOD	100% UMPHAT “Sveti Ivan Rilski” EAD	B1
205	MH	31	SPECIALIZED HOSPITAL FOR REHABILITATION - BURGASKI MINERALNI BANI EAD, BURGAS	100%	B1
206	MH	32	<b>MPHAT IN NEUROLOGY AND PSYCHIATRY “ST. NAUM” EAD, SOFIA</b>	100%	B1
207	MH	32.1	MEDICAL CENTER “SVETI NAUM” EOOD, SOFIA	100% " MPHATNP "St. Naum" EAD	B1
208	MH	33	<b>UMPHAT “DR GEORGI STRANSKI” EAD, PLEVEN</b>	100%	B1
209	MH	33.1	“DIAGNOSTIC CONSULTATIVE CENTER – PLEVEN” EOOD, PLEVEN	100% " UMPHAT “Dr Georgi Stranski” EAD	B1
210	MH	33.2	“MEDEON - PLEVEN 2009” EOOD, PLEVEN	100% UMPHAT “Dr Georgi Stranski” EAD	B1



211	MH	34	<b>UNIVERSITY SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT IN ENDOCRINOLOGY “AKAD. IVAN PENCHEV” EAD, SOFIA</b>	100%	B1
212	MH	34.1	MEDICAL CENTER “AKAD. IVAN PENCHEV” EOOD	100% USHATE “Akad. Ivan Penchev” EAD	B1
213	MH	35	<b>UMPHAT “SVETA MARINA” EAD, VARNA</b>	100%	B1
214	MH	35.1	DIAGNOSTIC CONSULTATIVE CENTER “SVETA MARINA” EOOD, VARNA	100% UMPHAT “Sveta Marina” EAD	B1
215	MH	35.2	“SVETA MARINA TRADING” EOOD, VARNA	100% UMPHAT “Sveta Marina” EAD	B1
216	MH	35.3	“CVETA MARINA PHARMA” EOOD, VARNA	100% " UMPHAT “Sveta Marina” EAD	B1
217	MH	36	<b>NATIONAL SPECIALIZED HOSPITAL FOR “PHYSICAL THERAPY AND REHABILITATION” EAD, SOFIA</b>	100%	B1
218	MH	36.1	"MEDICAL CENTER AKVA- 2003" EOOD, SOFIA	100% "NSHPTR" EAD	B1
219	MH	37	<b>“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF CHILDREN'S DISEASES – PROF. IVAN MITEV” EAD, SOFIA</b>	100%	B1
220	MH	37.1	"MEDICAL CENTER FOR OUTPATIENT MEDICAL CARE FOR CHILDREN'S DISEASES" EOOD	100% SHATCD – “Prof.Ivan Mitev” EAD	B1
221	MH	38	<b>“SPECIALIZED HOSPITALS FOR REHABILITATION – NATIONAL COMPLEX” EAD, SOFIA</b>	100%	B1
222	MH	38.1	MEDICAL CENTER “REHABILITATION – NATIONAL COMPLEX” EOOD, SOFIA	100 % “SHR – National Complex” EAD	B1
223	MH	39	<b>UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT “ALEKSANDROVSKA” EAD, SOFIA</b>	100%	B1
224	MH	39.1	“DIAGNOSTIC CONSULTATIVE CENTER – ALEKSANDROVSKA” EOOD, SOFIA	100% UMPHAT “Aleksandrovska” EAD	B1
225	MH	39.2	“HOME FOR THE ELDERLY AND DAY CARE CENTER – ALEKSANDROVSKA” EOOD, SOFIA	100% UMPHAT “Aleksandrovska” EAD	B1
226	MH	39.3	“OCCUPATIONAL MEDICINE SERVICE -ALEKSANDROVSKA” EOOD, SOFIA	100% UMPHAT “Aleksandrovska” EAD	B1
227	MH	40	<b>MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT AND EMERGENCY MEDICINE “N.I. PIROGOV” EAD, SOFIA</b>	100%	B1

228	MH	40.1	MEDICAL CENTER “N.I. PIROGOV” EOOD, SOFIA	100 % MPHATEM “N.I. Pirogov” EAD	B1
229	MH	40.2	OCCUPATIONAL MEDICINE SERVICE “N.I. PIROGOV” EOOD	100 % MPHATEM “N.I. Pirogov” EAD	B1
230	MH	40.3	SPECIALIZED MEDICAL DIAGNOSTIC LABORATORY (SMDL) FOR IMAGING DIAGNOSTICS “N.I.PIROGOV” EOOD, SOFIA	MPHATEM “N.I. Pirogov” EAD	B1
231	MH	40.4	“HOSPIS SVETI MINA” EOOD, SOFIA	100 % MPHATEM “N.I. Pirogov” EAD	B1
232	MH	41	<b>UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT “TSARITSA YOANNA – ISUL” EAD, SOFIA</b>	100%	B1
233	MH	41.1	MDC (MEDICAL AND DENTAL CENTER) “TSARITSA YOANNA- ISUL” EOOD, SOFIA	100% UMPHAT “Tsaritsa Yoanna-ISUL” EAD	B1
234	MH	42	SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT FOR INFECTIOUS AND PARASITIC DISEASES “PROF. IVAN KIROV” EAD, SOFIA	100%	B1
235	MH	43	<b>UMPHAT “SVETI GEORGI” EAD, PLOVDIV</b>	100%	B1
236	MH	43.1	DIAGNOSTIC CONSULTATIVE CENTER “SVETI GEORGI” EOOD, PLOVDIV	100% UMPHAT “Sveti Georgi” EAD	B1
237	MH	43.2	OCCUPATIONAL MEDICINE SERVICE “SVETI GEORGI” EOOD	100% UMPHAT “Sveti Georgi” EAD	B1
238	MH	44	<b>UNIVERSITY MULTI-PROFILE HOSPITAL FOR ACTIVE TREATMENT “PROF. DR. ALEXANDER CHIRKOV” EAD, SOFIA /former UMPHAT “SVETA EKATERINA” EAD, SOFIA/</b>	100%	B1
239	MH	44.1	MEDICAL CENTER “SVETA EKATERINA” EOOD	100% " UMPHAT "Prof.Dr. Al.Chirkov”EAD	B1
240	MH	45	<b>“UNIVERSITY SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT IN ONCOLOGY” EAD, SOFIA</b>	100%	B1
241	MH	45.1	“NATIONAL MEDICAL ONCOLOGY CENTRE” EOOD, SOFIA	100% “USHATO” EAD	B1
242	MH	46	“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF HAEMATOLOGICAL DISEASES” EAD, SOFIA	100%	B1
243	MH	47	<b>MPHAT “NATIONAL CARDIOLOGY HOSPITAL” EAD, SOFIA</b>	100%	B1
244	MH	47.1	“MEDICAL CENTER FOR SPECIALIZED MEDICAL CARE – NATIONAL CARDIOLOGY	100% MPHAT “National Cardiology	B1

			HOSPITAL” EOOD, SOFIA	Hospital” EAD	
245	MH	48	“SPECIALIZED HOSPITAL FOR REHABILITATION - MARIKOSTINOVO” EOOD, village of MARIKOSTINOVO, MUNICIPALITY OF PETRICH	100%	B1
246	MH	49	“SPECIALIZED HOSPITAL FOR REHABILITATION – TUSLATA” EOOD, BALCHIK, LOCALITY TUSLATA	100%	B1
247	MH	50	“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF PULMONARY DISEASES – GABROVO” EOOD, GABROVO	100%	B1
248	MH	51	PEDIATRIC SPECIALIZED HOSPITAL FOR PULMONARY DISEASES “TSARITSA YOANNA” EOOD, TRYAVNA	100%	B1
249	MH	52	“SPECIALIZED HOSPITAL FOR REHABILITATION – KOTEL” EOOD, KOTEL	100%	B1
250	MH	53	“SPECIALIZED HOSPITAL FOR LONG -TERM TREATMENT AND REHABILITATION OF INTERNAL MEDICINE – MEZDRA”, EOOD MEZDRA	100%	B1
251	MH	54	“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF ONCOLOGY - SOFIA REGION” EOOD, SOFIA	100%	B1
252	MH	55	“SPECIALIZED HOSPITAL FOR LONG TERM TREATMENT OF PULMONARY DISEASES - ROMAN" EOOD, ROMAN	100%	B1
253	MH	56	“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF PULMONARY DISEASES – PERNIK” EOOD, PERNIK	100%	B1
254	MH	57	SPECIALIZED HOSPITAL FOR POST TREATMENT, LONG TERM TREATMENT AND REHABILITATION OF PNEUMOPHTHISIATRIC DISEASES “SVETA PETKA BULGARIAN” EOOD, VELINGRAD	100%	B1
255	MH	58	MPHAT “LOZENETS” EAD, SOFIA	100%	B1
	MH	58.1	“MEDICAL CENTER LOZENETS” EOOD	100% MPHAT “Lozenets” EAD	B1
256	MH	59	SPECIALIZED HOSPITAL FOR REHABILITATION AND LONG-TERM TREATMENT OF PNEUMOPTIZIATRIC DISEASES “TSAR FERDINAND I”, village ISKRETS, SOFIA REGION	100%	B1

257	MH	60	“CENTER FOR MENTAL HEALTH – SOFIA” EOOD, SOFIA	100%	B1
258	MH	61	“SPECIALIZED HOSPITAL FOR PNEUMOPHTHISIATRIC DISEASES – SOFIA REGION” EOOD, SOFIA	100%	B1
259	MH	61.1	"MEDICAL CENTER FOR FOR PNEUMOPHTHISIATRIC DISEASES – SOFIA REGION” EOOD, SOFIA	100% “Specialized Hospital for Pneumophthisiatric Diseases – Sofia Region” EOOD	B1
260	MH	62	“SPECIALIZED HOSPITAL FOR ACTIVE TREATMENT OF PULMONARY DISEASES – TROYAN” EOOD, TROYAN	100%	B1
261	MH	63	“SPA CENTER KAMENA” EAD, VELINGRAD	100%	B1
262	MH	63.1	“MEDICAL CENTER KAMENA MEDICAL” EOOD, VELINGRAD	100% “SPA Center Kamena” EAD	B1
263	MH	64	“BULL BIO – NCIPD” EOOD, SOFIA	100%	A1
264	MH	65	“HEALTH INVESTMENT COMPANY FOR CHILDREN'S HOSPITAL” EAD, SOFIA	100%	B1
			<b>MINISTRY OF ENVIRONMENT AND WATER</b>		
265	MOEW	1	ENTERPRISE FOR MANAGEMENT OF ENVIRONMENTAL PROTECTION ACTIVITIES/EMEP/, SOFIA	100%	B2

*I, the undersigned Vera Mihaylova Koussitasseva-Marinova, hereby certify the correctness of the translation, done by me from Bulgarian into English of the attached document. The translation consists of 15 pages.*

*Translator: Vera Mihaylova Koussitasseva-Marinova*

APPENDIX 2

„COMPANY NAME.....“ EAD/EOOD, city. ....

GROUP A1/A2

<i>Financial objectives and performance indicators</i>			
<b>Financial indicators</b>	<b>2021</b>	<b>2023</b>	<b>2026</b>
	<b>base</b>	<b>intervening</b>	<b>target</b>
Cost efficiency			
Return on Equity			
Indebtedness ratio			
Total liquidity			
<i>Non-financial objectives and performance indicators</i>			
<b>1. Objectives derived from the strategic goal</b>		<b>Indicators</b>	

“COMPANY NAME.....” EAD/EOOD, city. ...

GROUP B1/B2

<i>Financial objectives and performance indicators</i>			
<b>Financial indicators</b>	<b>2021</b>	<b>2023</b>	<b>2026</b>
	<b>base</b>	<b>intervening</b>	<b>target</b>
Cost efficiency			
Indebtedness ratio			
Total liquidity			
<i>Non-financial objectives and performance indicators</i>			
<b>1. Objectives derived from the strategic goal</b>		<b>Indicators</b>	