

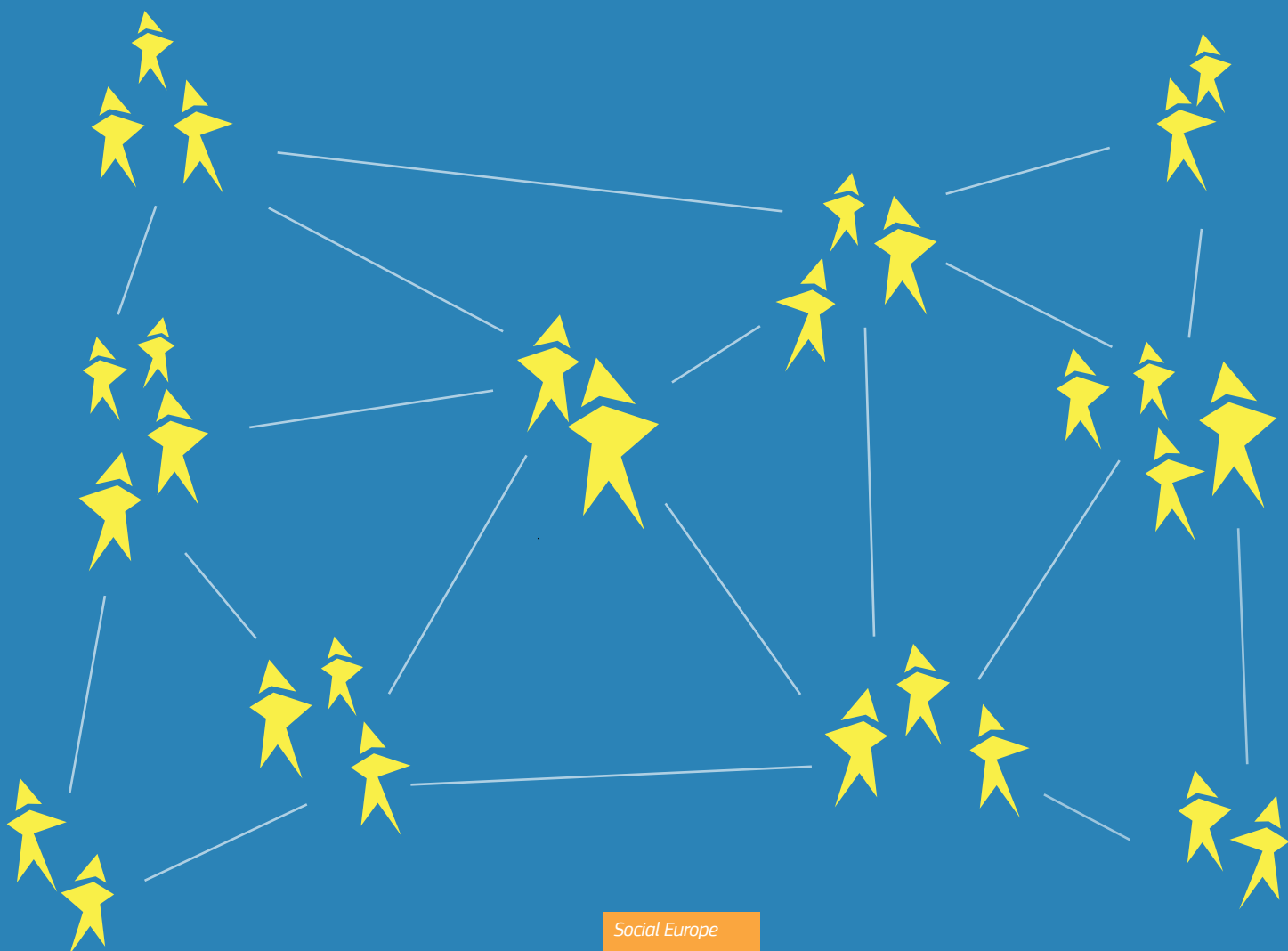


EUROPEAN SOCIAL POLICY NETWORK (ESPN)

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r u l i a l i g

# Bulgaria

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Social Europe

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National monitoring frameworks  
for public social spending**

**Bulgaria**

**2022**

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The European Social Policy Network (ESPN) was established in July 2014 on the initiative of the European Commission to provide high-quality and timely independent information, advice, analysis and expertise on social policy issues in the European Union and neighbouring countries.

The ESPN brings together into a single network the work that used to be carried out by the European Network of Independent Experts on Social Inclusion, the Network for the Analytical Support on the Socio-Economic Impact of Social Protection Reforms (ASISP) and the MISSOC (Mutual Information Systems on Social Protection) secretariat.

The ESPN is managed by the Luxembourg Institute of Socio-Economic Research (LISER) and APPLICA, together with the European Social Observatory (OSE).

For more information on the ESPN, see: <http://ec.europa.eusocialmain.jsp?catId=1135&langId=en>

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## Summary

The origin of all data on public social spending is three different large administrative databases managed by three different government bodies, which systematically record information on each transaction related to this spending. Public social spending in Bulgaria is reported on by the bodies managing or monitoring the corresponding schemes: the National Social Security Institute (NSSI) (social security), the Agency for Social Assistance (ASA) (social assistance), and the National Health Insurance Fund (NHIF) (health insurance). Although two of these databases (for social security and social assistance) are practically fully integrated, the data are published independently by each agency. The dividing lines between monitoring frameworks pass between separate agencies.

Aggregate or domain-specific data on social expenditure are available from some other agencies. The National Statistical Institute (NSI) publishes data on social spending based on the European System of Integrated Social Protection Statistics (ESSPROS). The Financial Supervision Commission (FSC) monitors the private pension funds running the statutory funded pension schemes (second pillar) and the supplementary voluntary pension schemes (third pillar). The main body carrying out regular expenditure audits is the Bulgarian National Audit Office (BNAO). The BNAO supervises the implementation of the national budget and the budgets of public funds, such as the NSSI and NHIF, publishing annual reports, and publishes occasional reports on municipal budgets. The BNAO also issues occasional thematic reports, such as a report from 2020 on the efficiency of public spending in fighting poverty, which included a review of many social protection schemes.

All the bodies above operate large databases with detailed information on spending and other financial transactions concerning their field of responsibility, and can technically produce detailed financial information with a very short time lag. The publicly available data, however, differ greatly between the different agencies in terms of the level of detail, usability and timeliness/periodicity – the latter ranging from daily to annual reports, with the typical period being a quarter.

Social outcomes are not systemically integrated within the frameworks for monitoring the level of social spending. Administrative databases are designed to meet statutory requirements for accountability, which do not include the monitoring of outcomes. There is no specific body in charge of monitoring outcomes, though occasionally the BNAO produces such reports. Other agencies publish or commission analyses focusing on social developments using indicators on employment, poverty and social exclusion to illustrate the overall effects of social transfers. The data in these analyses usually come from sources such as ESSPROS or statistics and analyses published by the NSI based on data from EU-SILC.

Monitoring of expenditure at sub-national (municipal) level is performed by the Ministry of Finance, using some aggregate indicators which do not focus on public social expenditure in particular. Details on social spending are available from municipal budget reports: information contained in these reports is not available from a single source.

The main weakness of the Bulgarian system for reporting on and monitoring public social spending is the fragmented presentation and use of information. Data are reported because of statutory requirements or for the sake of transparency; they are, in some cases, also used for monitoring certain indicators, threshold values set in government strategies or action plans, and the level of achievement of targets etc. The main strength of the system is that it is based on large, detailed and increasingly integrated databases. This strength can in principle be leveraged to produce very sophisticated and comprehensive reports. The advanced integration of previously separate databases will increasingly allow the monitoring of complex social outcomes, but this kind of analysis needs to become a statutory requirement and be defined in more detail.

## 1 Country-specific monitoring frameworks for public social spending

The main monitoring frameworks for social spending in Bulgaria are managed by three different state bodies. At sub-national level, detailed social spending data are reported and published by each of the 266 municipalities. Some other public bodies publish aggregate statistics on social protection spending, based on primary data provided by other agencies. Information on some specific programmes (e.g. in healthcare) is published by the relevant ministries (for the development of monitoring frameworks for social spending, see Box 1).

### **Box 1 Development of monitoring frameworks for social spending**

*The current monitoring systems in Bulgaria took shape following fundamental reforms of the health and social insurance systems, which took place in the second half of the 1990s. The NSSI was established in 1995 as a body with operational and financial autonomy, managing social insurance funds and reporting directly to parliament (NSSI, 2015b). A system of autonomous social security in Bulgaria existed until it was abolished in the early 1950s and all funds were absorbed by the state budget (NSSI, 2015a). Operational and accountability requirements were the main driver behind the establishment of the monitoring system of the NSSI, which has since evolved into one of the most sophisticated and transparent monitoring systems in Bulgaria, regularly publishing rich tabulated data and providing key data supporting the operations of other agencies such as the ASA (Агенция за социално подпомагане).*

*The NHIF (Национална здравноосигурителна каса) was established in 1999 with the introduction of health insurance in Bulgaria through a special law adopted by the National Assembly (NHIF, 2022). Funding of healthcare in Bulgaria prior to that was based on the principle of universal accessibility, which in reality, however, could no longer be implemented due to the severe shortages faced by the system. To meet its legal requirements for controlling primary and specialised out-patient, dental and hospital care, as well as the system for delivering pharmaceuticals, the NHIF had to establish a comprehensive monitoring system, which was initially updated on a monthly basis but many components of which now function almost in real time (NHIF, 2013).*

*In 1998 new legislation on social assistance was adopted, and in 2002 the ASA was established under the Ministry of Labour and Social Policy (MLSP). The Law on Social Assistance explicitly put the new agency in charge of building an integrated information system, and on this basis it produces annual reports and analyses in the field of social assistance<sup>1</sup>.*

*In conjunction with the proliferation of information technology applications used in public administration, which took place during the 1990s, the establishment of autonomous social and health insurance bodies has been a key driver for putting in place and continuously upgrading the existing monitoring frameworks for social spending.*

### 1.1 Country-specific dedicated monitoring framework(s)

#### 1.1.1 Social security

The **NSI (Национален статистически институт)** publishes data on social spending based on ESSPROS, following EC regulations related to ESSPROS obligations. The information is broken down by social protection scheme – defined as “a distinct body of rules, supported by one or more institutional units, governing the provision of social protection benefits and their financing”. The NSI lists a total of 18 schemes<sup>2</sup>.

The **NSSI (Национален осигурителен институт)** has an administrative database with many modules, containing individual records on all transactions related to revenue and payments. The database is linked to the administrative databases of the ASA and

<sup>1</sup> Law on Social Assistance, available from the ASA website at: <https://asp.government.bg/bg/za-agentsiyata/zakonodatelstvo>.

<sup>2</sup> A detailed methodology is available in English at: <https://www.nsi.bg/en/content/4078/social-protection-expenditures>.

Employment Agency (EA, *Агенция по заетостта*). The database enables the production of detailed tabulations related to contributory social assistance schemes.

The NSSI publishes a lot of data in user-friendly format. Publications include quarterly reports containing detailed tabulated statistics and analysis concerning social expenditure covered from the state social security funds managed by the NSSI<sup>3</sup>. The reports feature comparisons with the same period of the previous year as well as between the planned/forecast figures and the actual figures, including several hundred budgetary items of revenue and expenditure. The statistics cover all functions in the domain of the NSSI, including: pensions (old age, invalidity and social); unemployment benefits; injury at work and occupational diseases benefits; maternity and sickness benefits; and all categories of child benefits. In addition, the NSSI publishes statistical data in the form of multiple sets of electronic tables and has created an online system for generating and exporting customised data tabulations<sup>4</sup>.

In Bulgaria, in addition to the statutory funded pension scheme, there are statutory funded and supplementary voluntary pension schemes administered by two types of private pension funds – universal pension funds (UPFs) and professional pension funds (PPFs). These funds are supervised by a special body – the **Financial Supervision Commission (FSC, Комисия за финансов надзор)**.

The FSC publishes quarterly reports on all information related to the operations of the UPFs and PPFs. Spending, together with other data, are published for each fund operating in Bulgaria.

The **NHIF** administers the compulsory health insurance scheme in Bulgaria and makes all payments to various health service providers for medical services provided to insured people, and for medications described in special lists and prescribed to insured people. The NHIF manages a comprehensive database with individual records for all incoming and outgoing payments and a lot of other modules.

A breakdown of spending is given for each of the 28 district offices of the NHIF. The information is published in Bulgarian only. More detailed information by types of medical activities and reimbursed medications can be produced on request and is routinely shared with other administrations. The NHIF publishes a special report on the access to information it has provided each year to companies and physical persons, including access for the purpose of reusing large sets of public sector information.

The **Ministry of Health (МН, Министерство на здравеопазването)** publishes reports on national health programmes, which provide, on a project basis, additional funds to the healthcare system for addressing issues of major concern. This funding is managed and reported on separately from the funding of the core activities in the healthcare system done through the NHIF. Funding from the EU is also channelled into such national programmes. An example of a monitoring framework related to such programmes is the reporting of the spending related to the fight against COVID-19.

### 1.1.2 Social assistance

The **ASA** is responsible for the management of all data on payments related to non-contributory social assistance, in cash and in kind. The agency does not publish detailed information in a user-friendly format. Information on the number of people supported and the total expenditure broken down by each type of scheme is contained in the annual report of the ASA. The ASA can easily publish other disaggregated information that is relevant to the assessment of government policies and targets (e.g. by gender and age of the beneficiaries of some schemes, or broken down by territory for all schemes). The ASA has

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<sup>3</sup> Some of the reports and data on pensions and general economic indicators are also published in English, available at: <https://www.nssi.bg/en/abouten/statistics>.

<sup>4</sup> Available at: <https://apps2.nssi.bg/elserviceStatData/StatPens.aspx>.



a very well developed administrative database updated practically in real time, covering social assistance, social services and child protection (ASA, 2020). The system was introduced in 2016 (ASA, 2017; ASA, 2017). In 2019, a new module related to disability schemes was introduced.

The ASA database is integrated with the databases of the NSSI, Civil Registration Office (CRO – part of the administration of the Ministry of Regional Development and Public Works), Ministry of Education and Science, and EA. These interconnections are necessary for some of the statutory operations carried out by the ASA, namely the need to verify various conditions for granting social assistance such as school enrolment, recent travel abroad<sup>5</sup>, official registration as unemployed, and receipt of pensions and other contributory benefits. Data from external databases are automatically loaded into the database of the ASA to provide timely and up-to-date information (ASA, 2020).

Municipalities have remote access to the administrative database, where they have to insert records related to various social assistance schemes (ASA, 2020).

Reports published by the ASA do not contain statistical annexes. Although the ASA does not publish data in a user-friendly format, it has the capacity to produce, on request, any data on spending related to non-contributory social assistance in Bulgaria. This includes such requests by government agencies, NGOs and physical persons who file a request on the basis of the applicable legislation on access to information. Integration with other administrative databases containing information on non-contributory benefits (NSSI) and various characteristics of beneficiaries of social protection (CRO, EA) allows, in principle, the generation of any sets of microdata and tabulations related to social assistance within the limits of the existing data protection legislation (i.e. for legitimate use).

### **1.1.3 Social transfers in kind**

Social transfers in kind play a marginal role in Bulgarian social assistance. Like the rest of social assistance, they are managed by the ASA. The reporting of spending on social transfers in kind is incorporated in the same framework as social assistance, which consists of the publication by the ASA of annual reports. For details, see the section on social assistance.

## **1.2 Separate monitoring framework(s) linked to schemes provided by employers**

Bulgaria has no separate monitoring framework(s) linked to schemes provided by employers. Generally, occupational welfare (pensions and other) is very scarce in Bulgaria.

The NSSI manages and monitors employer contributions to statutory unfunded pension schemes, sick pay schemes and schemes related to occupational injuries. The NSSI also manages and monitors the Guaranteed Debt Payments for Workers and Employees Fund, to which employers are obliged to pay contributions used for employee compensation in case of default.

The FSC monitors the private pension funds running the statutory funded pension schemes (second pillar) and the supplementary voluntary pension schemes (third pillar). None of these schemes is provided by employers.

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<sup>5</sup> Not having travelled abroad for certain period of time is a condition of receiving support under social benefit schemes, on the assumption that such spending by a low-income person indicates irresponsibility.

## 1.3 Distinction between current expenditure and capital expenditure

### 1.3.1 Social security

The NSSI publishes exhaustive data on its spending, including information on capital spending which, however, is small and refers to the purchase of assets needed for the NSSI's own operations.

The NHIF quotes a separate category for capital expenditure in its daily reports. However, the figures do not provide information on the actual purchases of medical equipment, which is done by public and private health service providers. Collecting this information is not part of the monitoring framework of the NHIF, as the NHIF only pays out on the basis of services and medications provided to or purchased by insured people. This information can be obtained from the annual financial statements published by hospitals, which are public and generally available on the hospitals' websites. This information is not available in tabulated form from any source, which makes it difficult to use for analysis or monitoring.

The MH publishes reports on the spending under national health programmes. In the reports, expenditure on staff and operational costs is quoted separately from capital expenditure<sup>6</sup>. National programmes of the MH do not usually cover transfers to people and households, but do involve the payment of salaries and the purchase of equipment (capital spending).

### 1.3.2 Social assistance

The ASA publishes aggregate information on its capital spending, sometimes providing information about specific schemes. Some information on capital spending can be found in the text of yearly reports but is not exhaustive.

## 1.4 Type of monitoring: level and outcomes

Social outcomes are not integrated within the frameworks for monitoring the level of spending. The frameworks that provide data on spending are based on administrative databases, which the relevant bodies have to maintain as part of their operations. Administrative databases are designed to meet statutory requirements for accountability, which do not include the monitoring of outcomes. There is no specific body in charge of the monitoring of outcomes, though the BNAO (*Сметна палата на Република България*) occasionally produces such reports: in particular, one recent report<sup>7</sup> specifically addressed the effectiveness of policies aimed at reducing poverty. Other agencies publish or commission analyses focusing on social developments, using indicators on employment, poverty and social exclusion to illustrate the overall effects of social transfers. The data in these analyses usually come from other sources such as ESSPROS or statistics and analyses published by the NSI based on EU-SILC.

## 1.5 Level of granularity of public social spending

Data on social spending published by the NSI quote only nominal values, but other indicators can be produced using additional information obtained from other datasets published by the NSI, such as the inflation rate, the minimum wage, and the poverty line.

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<sup>6</sup> Available from: <https://www.mh.government.bg/bg/politiki/otcheti-i-dokladi/>.

<sup>7</sup> Atanasov, A., 2020. Effectiveness of anti-poverty measures for the period from 01.01.2015 to 31.12.2018. Performance Audit Report.

### **1.5.1 Social security**

Reports by the NSSI are very rich in detail and contain a lot of tables, with information related to the state of the economy and the labour market and all the social security funds managed by the NSSI. Some of the tables are also available in the form of worksheets. Expenditure data are presented in nominal terms. The analyses and tables published by the NSSI contain year-on-year comparisons in the form of tables and charts. Other indicators can be produced relatively easily by users, such as real (rather than nominal) values, large expenditure aggregates expressed as percentages of GDP, and comparisons between transfers and benchmarks such as the poverty line and the minimum wage. The relevant additional information needed is either published by the NSSI in its reports or available from other official sources such as the NSI.

Data on spending published by the NHIF contain nominal values and no year-on-year comparisons. Additional indicators and time series can, however, be produced relatively easily from the published data, which come in a standard tabulated format.

### **1.5.2 Social assistance**

The annual reports published by the ASA usually contain raw figures, such as the number of users and spending in BGN. Comparisons with the previous year are typically presented in narrative form quoting the relevant raw nominal values. From the officially published information, year-on-year growth rates and other indicators can be estimated but with a lot of effort. Producing longer time series requires identifying the relevant information from the annual reports.

This information is contained in the annual reports of the ASA and presented in a similar manner to information on social assistance.

## **1.6 Breakdown of public social spending**

Monitoring frameworks do not provide any systemic overview of public social spending broken down by population groups.

The most detailed breakdown is available in some of the NSSI's publications; the monthly reports on the number of unemployment benefits contain statistical annexes with information on the number of unemployed people entitled to benefits by districts and age groups. Data on the benefits paid are disaggregated according to the daily rates, with information provided on the number of benefits paid at each rate level by gender and duration of the insurance record within each of the 28 administrative districts.

Bearing in mind that the administrative databases of the NSSI, ASA, NHIF, EA and National Revenue Agency are at least partially integrated, breakdowns by gender, location, age and variously defined income groups are technically feasible. We have no information as to whether such tabulations are actually produced and used internally. The BNAO and other institutions do not include their own data in their reports, but instead rely for the production of their analyses on the information available from the NSI, NSSI and NHIF.

## **1.7 Timing and public accessibility of data**

Expenditure data based on ESSPROS are published by the NSI annually with a time lag of approximately two years (i.e. the data for 2019 were available in the second half of 2021).

### **1.7.1 Social security**

The NSSI publishes quarterly and yearly reports, which are made available to the public on its website. Some quarterly reports are not incremental but aggregate (i.e. the second quarterly report covers the period January-June rather than March-June). A separate NSSI

report is dedicated to sickness and maternity benefits, and published four times a year<sup>8</sup>. The statistical annexes contain a breakdown by districts (28 NUTS<sup>9</sup> 3 units) along with the total number of days covered, the average daily payment, the average payment per sick leave note, etc.

The NHIF provides information on daily transactions including spending, which is published once a month (i.e. a monthly worksheet with daily disaggregation). The NHIF publishes the most detailed and timely financial reports, which appear on a monthly basis and contain information on transactions for every calendar day by aggregate categories, which distinguish capital investment, salaries and administrative costs from the actual transfers for the payment of healthcare services and medications<sup>10</sup>.

### **1.7.2 Social assistance**

This information is contained in the annual reports of the ASA, published during the following year, which are publicly available.

### **1.7.3 Social transfers in kind**

This information is contained in the annual reports of the ASA and presented in a similar manner to information on social assistance.

## **1.8 Sub-national frameworks**

At the district (NUTS 3) level in Bulgaria, there are no autonomous administrations with their own revenue. District governors are appointed by the central government and their mandate and budgets are very limited. The management and co-ordination of social, employment and health services and transfers is done by district offices of central administrative bodies such as the ASA, EA and NHIF. Statistical data at district level are published, but monitoring efficiency at this territorial level is generally not relevant as, at this level, there are no independent spending authorities. Municipalities, in contrast, are independent jurisdictions in Bulgaria which have their own revenue and budgets. Municipal budgets include grants from the central government: transfers for education and social services calculated according to funding standards based on unit costs make up part of those grants. The Ministry of Finance publishes quarterly reports on the state of municipal finance, which contain data for each of the 265 municipalities in Bulgaria, covering aggregate indicators such as for revenue, and for expenditure including social spending, distinguishing capital expenditure, debt, liabilities, and overdue liabilities. The reports are prepared according to a methodology developed in-house and by the MF and outlined in a publicly available document (Ministry of Finance, 2013). In addition, the Ministry of Finance publishes annually a table containing fine-grained data for each municipality on spending by various functions of government including education, healthcare and social services. The MF and the BNAO receive a copy of each municipal budget within one month of its approval by the municipal council concerned.

Information on planned spending is published on the website of each municipality. This is a legal requirement, but the details concerning the procedure and content are subject to the discretion of every municipal council. The information concerning municipal budgets (and revisions to them) that is available on the websites of the biggest municipalities is quite detailed, but is not presented in a standardised format and does not seem to derive from a single source. After the end of each budgetary year, municipalities are obliged to publish reports on actual spending. Public availability of those reports is less common but some of the largest municipalities still make them available on their websites.

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<sup>8</sup> The periods covered are Q1, Q1-Q2, Q1-Q3, Q1-Q4 (the whole year).

<sup>9</sup> Nomenclature of territorial units for statistics.

<sup>10</sup> Available from: <https://www.nhif.bg/page/74> (last accessed on 15 November 2021).

## 2 Reporting/review tools for public social spending

Tools for *ex ante* evaluation of the potential effects of public social spending are not commonly applied. These are considered the most important tools at the stage of budget preparation (Castrop, 2012). In particular, there are no systemically applied simulation tools for developing various social spending scenarios<sup>11</sup>. There are some occasional academic publications using the EUROMOD microsimulation tool (Tosheva *et al.*, 2016).

The main body carrying out regular *ex post* expenditure audits in Bulgaria is the BNAO. The BNAO supervises the implementation of the national budget, municipal budgets and the budgets of public funds such as the NSSI and NHIF. The BNAO is independent of the executive and reports directly to parliament. The BNAO's president and two vice-presidents are elected by parliament. The BNAO has a broadly defined task to control the reliability and truthfulness of financial statements of budget-funded organisations as well as to monitor the legality, efficiency, effectiveness and economy of the management of public funds and activities. Many BNAO reports place a strong accent on public procurement, looking specifically for potential violation or circumvention of procurement regulations. The BNAO issues recommendations on improving procurement practice in the monitored budgetary authorities.

The BNAO publishes 20-30 audit reports each year, some of which are regular while the others are ad hoc. The regular reports include the yearly audits of the budgets of the NHIF and NSSI. These audit reports, however, only concern the adherence of the audited bodies to existing regulations and do not touch upon issues of effectiveness. In the case of the NHIF, the BNAO reports contain very detailed information on revenue and expenditure during each year.

The BNAO is also in charge of monitoring the budgets of municipalities, covering a broad set of issues and focusing on specific challenges in each audited municipality. Topics such as the organisation and provision of social services and municipal social housing appear in the reports, as these are a specific municipal responsibility. The BNAO occasionally publishes thematic reports. Thematic reports differ from regular reports in terms of their stronger emphasis on policy outcomes rather than the monitoring of budgets.

The most recent thematic report relating to social assistance was published in 2020 (Atanasov, 2020). The report assessed the effectiveness of anti-poverty measures for the period 2015-2018<sup>12</sup>. The general conclusion in the report was that policies to fight poverty have been inefficient, and that most of the targets set will not be achieved. This conclusion was reached on the basis of aggregate statistics on poverty and social exclusion originating from official documents published by the government and the NSI. The BNAO does not typically collect additional data but relies on reviews of available documents and sources. The assessment of anti-poverty policies was accompanied by a set of recommendations which, more broadly, concern the need to improve prioritisation and target anti-poverty measures at the most vulnerable. Reports of this type are rare and seem to go beyond the mandate of the BNAO as set out in the law, namely to monitor the implementation of public budgets and the use of public funds. Based on its conclusion, the BNAO issued recommendations to the Minister of Labour and Social Policy (nine recommendations) and the Minister of Education (two recommendations) with a deadline for a response set for the end of 2021. In principle, public bodies have to act in response to the recommendations of the BNAO and their actions are subject to control by parliament.

The information available on the measures undertaken in response to the BNAO report, in particular to the recommendations concerning better focus and targeting, will appear with

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<sup>11</sup> It is possible that such tools are used internally in some government bodies without the results being made public. The Ministry of Finance appears to apply tools for macro-economic simulation developed in-house, and tools for simulating the macro-economic effects of EU funds developed by external researchers (Ganev *et al.*, 2015).

<sup>12</sup> The report was not produced in-house but outsourced to an external contractor. The conclusions and recommendations were, however, validated by the BNAO.

a certain time lag after the government's reaction. The BNAO publishes brief reviews on the implementation of recommendations given in audit reports. These reviews are based on the official responses given by the public bodies concerned and a procedure for validating their responses – typically a brief follow-up audit. It takes some time from the response to its validation or refusal thereof, which may depend on the complexity of the recommendations. By January 2022, no follow-up review had been published concerning the recommendations made in the BNAO report<sup>13</sup>.

Until 2013, the MLSP used to publish an annual "Social Report" reviewing social inclusion and social assistance policies implemented during the year, including reforms undertaken. The report contained an explanation of the rationale behind each policy/programme along with some useful data about spending and outcomes, though in an unsystematic narrative form. Publication of this report was discontinued from 2014. Since 2017, the MLSP has started to publish reports on the implementation of the National Strategy for Reducing Poverty and Promoting Social Inclusion (NSRPPSL). The first NSRPPSL ran to 2020 (the starting year was not indicated, but implementation of the strategy began in 2015). The NSRPPSL was then revised and updated to cover a 10-year period until 2030. It is very likely that the publication of reports on the implementation of the second NSRPPSL will continue on a regular basis. The reports contain an analysis of all social inclusion policies, including an assessment of the extent to which stated targets have been achieved. Information on social assistance spending is also provided, and discussed, within the text and/or in tabulated reporting templates<sup>14</sup>.

Regular analytical reports produced by the agencies involved with social assistance could be easily upgraded to contain more disaggregated data, both cross-sectional and longitudinal, in tabular format. The review of important social and economic outcomes usually comes in the form of background information without any analysis linking it to social spending. As a result, even when certain important social and economic trends can be deduced from the reports of the ASA and NSSI, they rarely include policy-relevant conclusions, such as to what extent poverty dynamics are due to social transfers or to factors beyond the control of the Bulgarian government. Carrying out such analyses is not an explicit statutory requirement. Some important conclusions on the effectiveness of social spending cannot be done without a systemic comparison of the indicators contained in administrative databases with other indicators. For example, the administrative databases of social assistance operators only register information about those who benefit from the relevant schemes, and do not generally contain any information on the situation of those who do not receive any support (with the exception probably of those who applied but whose applications were rejected). The assessment of key indicators such as coverage therefore requires going beyond the routine operational information required for the management of social spending. Information on the internal procedures and practices for monitoring spending within different government agencies in Bulgaria is not easily available and research on this topic is rather scarce.

Review tools are sometimes initiated and implemented by independent research institutions and civil society organisations. Some NGOs conduct budgetary reviews in their field of interest and expertise, such as the alternative budget proposed annually by the Institute for Market Economics (IME). Starting as a tool for promoting extreme austerity, it has evolved over the years into an instrument putting more focus on social expenditure and calling for an increase in the Guaranteed Minimum Income, among other changes. The last budgetary review conducted by the IME suggested family benefits for children, subject to income criteria, aimed at households in need. The IME also publishes occasional reviews of the efficiency of social expenditure: it did so in 2015 and 2020, using general macro-

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<sup>13</sup> Reviews of the implementation of recommendations are made publicly available (in Bulgarian only) through the BNAO website at: <https://www.bulnao.government.bg/bg/oditna-dejnost/izpylnenie-na-preporokite/>.

<sup>14</sup> The reports under the NSRPPSL do not contain statistical annexes, however; so data cannot be easily extracted and used for further analysis.

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economic indicators and measurements of poverty and inequality derived from EU-SILC – such as the Gini coefficient and the impact of social transfers on the average income of different social groups. In its publications the IME often uses the ESSPROS database.

An analysis of expenditure on child-related policies is published by the National Network for Children, specifically the social transfers to families with children, such as child benefits.

Comparative budget reviews are sometimes carried out on an ad hoc basis by international organisations and international NGOs. The latest example, which was popularised in Bulgaria by the IME, was the analysis carried out by International Budget Partnership, called “Managing Covid Funds: the accountability gap”, which contains general benchmarks concerning budgetary accountability in relation to government outlays targeting the effects of COVID-19.



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