Project Application Form
Under the Recovery and Resilience Facility

1. Project name
Scheme to support the renewal of rolling stock for urban and intercity transport “Green mobility”
2. Description of the project (objectives, main activities)
Transport is one of the most important urban planning functions that ensures mobility within the urban area and access to various services. The characteristics of modern cities create high requirements for high quality levels in mobility, as well. However, the transport systems have a negative impact on economic, social and environmental parameters as they are connected to sustainable development. This interactive relationship is the subject of sustainable urban mobility, a concept that addresses the sufficiency of transport systems according to the principles of sustainable development. Integrated and sufficient promotion of sustainable urban mobility requires the continuous monitoring of mobility levels in order to develop the appropriate policies. The conventional transport planning approach not only failed to cope with the externalities of the transport system such as traffic congestion, air pollution, transport noise and degradation of the built environment, but also led to their exacerbation. This project is a logical continuation of previous integrated urban transport projects funded by operational programmes for regional development and environment in Bulgaria in the periods 2007-2013 and 2014-2020. It builds upon the results achieved by the implementation of these projects and implemented to date programmes in Bulgarian aimed at developing and integrated public transport that is environmentally friendly and cost effective. The activities are aiming to improve the environment and air quality, improve the mobility of the population, increase the efficiency of transport as well as to incentivise the implementation of the Integrated Territorial Investment Instrument during the new programming period through development of pilot projects to be upgraded at a next stage. The objectives of the proposed scheme are as follows: • Support the implementation of urban mobility reform through preparation and implementation of pilot projects in compliance with the new territorial approach. • Contribute to the national objectives for decarbonisation and energy efficiency. • Ensure connectivity and linkages between urban and rural areas and development of functional areas. Outdated vehicles’ for urban and intercity transport, deteriorating quality of the urban environment, need to improve urban-rural connections and development of functional areas around cities are the main needs behind the “Green Mobility” scheme. Cities and sub-urban areas are particularly polluted and the existing measures and policies don’t provide incentives to use alternative (collective, active, clean) transport

solutions. There is still a sizeable number of old vehicles in use, which creates a disproportionate amount of pollution.

The proposed support scheme will encourage the roll-out of clean public transport vehicles that, in turn, will reduce GHG emissions and air and other pollution including noise emission and will have a positive impact on people's health.

Bulgaria is the intersection point of three trans-European transport corridors - number 4, 8 and 10. Compared to the data from 2014 the growth in the number of automobiles at an annual basis is 4.5%, which exceeds the growth factor of the population number. The overall result is decreased level of urban mobility and safety.

According to World Health Organization data, Bulgaria suffers from chronically dangerous for the population levels of fine particulate matter. Automobile transport is the largest source of pollution - 57% of the total emissions of NOx, 93% of CO emissions, 70% of CO2 emissions, and 83% of N2O, which requires a particular attention to the problem with traffic. Time loss and decreased economic productivity, noise pollution and pedestrian space violation due to car parking upon street pavements are among the other serious problems caused by the high motorization rate.

The policy in the transport sector at local level should aim at promotion of public transport demand and this regard measures supporting the increase of speed and comfort of public transport are necessary in order to improve the attractiveness of the public transport.

The scheme is also aiming to make the intercity local transport cleaner and more sustainable. The bus transport has the lowest costs per travelled kilometer, which allows its operation in areas with less density and its flexibility in terms of routes. This makes the bus transport suitable for ensuring intercity connections, but the obsolete fleet used for these type of transportations makes it also harmful for the environment.

The proposed scheme will promote the intelligent and sustainable local mobility, including decarbonisation of the local transport sector and its infrastructure. In addition the projects under the scheme will serve as pilot actions paving the way for implementation of integrated territorial investments in the field of sustainable urban mobility co-financed under the Programme "Development of Regions" 2021-2027.

The eligible activities include delivery of new environmentally friendly rolling stock for the public transport including urban and intercity transport and accompanying small-scale integrated measures like charging stations, intelligent transport systems and integrated digital solutions to improve the performance and efficiency of public transport.

Each project should be prepared and implemented in partnership and should include small-scale integrated measures. Only integrated projects will be eligible for support.

The implementation of the proposed support scheme will take into account the following basic criteria in terms of selection of operations:

- ✓ Number of population of the municipalities;
- ✓ Existence of an identified project / priority in the relevant Integrated Municipal Development Plan / Sustainable Urban Mobility Plan;
- ✓ Existence of a financed project for urban transport in OPRD 2007-2013 or in OPRG 2014-2020 or in OPE 2014-2020;
- ✓ Availability of an up-to-date feasibility study identifying the need for renewal of rolling stock or construction of charging stations.

3. Beneficiary

Responsible authority for the implementation of the scheme will be the Ministry of Regional Development and Public Works, Managing Authority of Programme "Development of Regions" 2021-2027

Eligible beneficiaries under the proposed scheme will be partnerships of urban municipalities and public transport operators. In the partnerships can participate the 40 urban municipalities of Priority 2 "Integrated territorial development" of Programme "Development of Regions" 2021-2027 and the public transport operators acting on the relevant territory. Rural municipalities are eligible as associated partners to the projects upon justification in terms of rural-urban linkages and functional areas.

4. Time schedule for project Implementation, including activities, stages[1]

Activities	year	2021			2022				2023			
	Q	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Preparation and start of the scheme implementation, including publication of Application Guidelines and suppoting documents		x										
Establishing partnerships and preparation of projects			x	x								
Evaluation and selection of projects, signing grant contracts					x							
Implementation of contracts						x	x	x	x	x	x	
Final payments and reporting												x

4.1. When can the project implementation start at the earliest after its approval?

The implementation of the scheme can start immediately after its approval for funding.

5. Indicative financial resource by activity, including sources of financing (national budget, European funding, private funding, IFIs)

The indicative financial resource for the scheme is 100 000 000 BGN – European funding (grant) under the Recovery and Resilience Facility.

[1] The time schedule shall be relevant for determining interim targets within the framework of the Recovery and Resilience Plan and is directly related to the disbursement of grant instalments from the Recovery and Resilience Facility.

5.1. Indicative allocation of the financial resource, depending on the type of expense
The financial resource under the proposed support scheme will be distributed among eligible beneficiaries according to specific methodology. The allocation of the financial resources under each project supported under the scheme will depend on the type of activities foreseen in the corresponding project.
6. Indicators
6.1. Result indicator/s
Number of new rolling stock (busses and trolleys) – target value: 55 Number of new charging stations for the need of public transport – target value: 3
6.2. Effect indicator/s
Reduction of greenhouse gas emissions (tons of CO2equivalent) - target value: 1920 Population benefiting from the integrated projects (number of persons) – target value: 1 000 000
7. Does the project require the opening of a procedure pursuant to the Public Procurement Act (PPA)?
The scheme itself doesn't require a PPA procedure, however the implementation of the foreseen activities under the scheme require opening of procedures pursuant to the PPA for the separate projects under the scheme. The procedures will be carried out by the beneficiaries under the projects in all cases, where applicable, in compliance with the regulatory requirements. Beneficiaries are contracting authorities and, when preparing the relevant public procurement documents, they should provide for the use of EU criteria for "green public procurement".
7.1. If a procedure under the Public Procurement Act is required, what part of the activities and financial resources will be subject of the public procurement?
All activities and the financial resources that will be provided to the beneficiaries require procedures under the Public Procurement Act. Beneficiaries have the right to conclude contracts with contractors for the implementation of project activities, and when selecting a contractor, the beneficiary applies the Public Procurement Act and the relevant regulations on its implementation.
7.2. If a procedure under the Public Procurement Act is required, what is the indicative schedule for its implementation?

The time schedule for implementation of PPA procedures is responsibility of beneficiaries and may be different for the different projects depending on their scope and budget.

8. Demarcation and complementarity

8.1. If similar projects have been implemented (regardless of their source of funding), describe how this project builds on/complements what has been achieved with previous projects.

The current project will upgrade the implemented projects under OPRD and OPE by excluding all previous beneficiaries under projects for urban transport.

With this project we upgrade the achieved results:

From the implementation of the projects for Integrated urban transport under OPRD 2007-2013 the results are:

- Delivery of new low-floor buses - 192;
- Delivery of trolleybuses - 64;
- Under construction separate high-speed sections - with a total length of 32 km;
- Rehabilitated and newly cconstraction bicycle lanes - with a total length of 115 km;
- Implementation of intelligent transport systems for traffic management;
- Delivered specialized vehicles performing repair and rehabilitation of catenary - 2 pcs.;
- Rehabilitation / construction of repair bases (depot) - 4 pcs .;
- Repair and rehabilitation of air contact network - with a total length of 93 km.
- The total number of electronic information boards (EIT) is 1975.

Beneficiaries – 7 bigger cities (Sofia, Plovdiv, Varna, Burgas, Stara Zagora, Ruse, Pleven)

From the implementation of the projects for Integrated urban transport under OPRD 2014-2020 the results are:

- Delivery of new low-floor buses - 76 ;
- Delivery electro buses 24
- Delivery of trolleybuses - 14;
- Total length of new or improved public transport lines - 630.6 km;
- Implementation of intelligent transport systems for traffic management;
- Rehabilitation / construction of repair bases (depot) - 3 pcs .;
- The total number of electronic information boards (EIT) is 349.
- Construction of charging stations: 5

Beneficiaries – 14 (Sofia, Varna, Burgas, Stara Zagora, Ruse, Pleven, Gabrovo, Pernik, Dupnica, Kazanluk, Sliven, Blagoevgrad, Dobrich, Veliko Turnovo)

OP "Environment" 2007-2013:

• Project № DIR-51315001-4-198 for “Implementation of activities for improving the air quality through purchase and delivery of tram trains”. Under the project, 20 new trams with low floor for 1009 mm track gauge were delivered and put into operation.

• Project "Delivery of 10 pcs. metro trains with a train length of 81 m. ± 3 m. for the needs of “Metropolitan” EAD, together with the included relevant equipment, in accordance with the technical requirements of the Assignor ”. Under the project were delivered 10 pcs. metro trains with equipment included, according to the contract.

• Project “Implementation of activities for improvement of the air quality through purchase and delivery of buses”, financed through OP “Environment” 2007 - 2013, budget of Sofia Municipality and funds of “Sofia Avto Transport” EAD. 126 pieces were delivered under the project. new gas articulated buses and specialized equipment to them.

• Purchased and put into operation are 40 pcs. trolleybuses on more environmentally friendly fuel for the municipality of Pleven.

8.2. If similar projects are envisaged to be implemented under the Partnership Agreement programs, the centrally managed facilities of EU or the Just Transition Fund, outline the demarcation with this project.

In the framework of Programme “Development of the Regions” 2021-2027 (PDR) Priority 1 “Integrated urban development” and Priority 2 “Integrated territorial development” (both co-financed by ERDF), sustainable urban mobility measures will be supported, including purchase of new, environmentally friendly rolling stock for the needs of the public transport and charging stations. In addition, Priority 3 “Just energy transition” of PDR, co-financed by JTF, will support investments in smart and sustainable local mobility, including decarbonisation of the local transport sector and its infrastructure.

The MA of PDR will be responsible also for the management and implementation of the current RRF scheme and will ensure demarcation between these schemes and any grant procedures under PDR at the level of the separate operations financed by the different instruments.

9. Does the project directly contribute to the implementation of any of the Council’s Specific Recommendations addressed to Bulgaria in the framework of the European Semester in the period 2017-2020? Please describe how.

The project will directly contribute to CSR 3 of the 2020 National Reform Programme “…Focus investment on the green and digital transition, in particular on clean and efficient production and use of energy and resources, environmental infrastructure and **sustainable transport, contributing to a progressive decarbonisation of the economy**, including in the coal regions.”

According to the EC 2020 Country Report “Bulgaria remains the most energy-and greenhouse gas-intensive economy in the EU by a wide margin” and there is a scope

for significant energy savings via targeted investments in the transport sector. The report states that the transport is one of the main causes of pollution with particular matter (dust), but the share of renewable transport in Bulgaria remains very law.

The bus and private car transport is the main option to ensure connectivity between the separate settlements and to allow commuting and access to basic services of their population. Nevertheless, the available fleet for urban and intercity transport is extremely old and uncomfortable and hardly complies with the environmental requirements. The scheme will support the replacement of the obsolete fleet by new more comfortable and environmentally friendly rolling stock, which will incentivise more people to use public transport instead of private cars and will decrease the CO2 emissions and fine particles pollution caused by the road passenger transport. This will directly contribute to the CSR in terms of sustainable transport and decarbonisation.

10. Does the project contribute to the implementation of a reform in a given sector? Please describe how.

The proposed scheme contributes to the reform of urban mobility aiming to bind the planning and implementation of road transport mobility schemes with the strategic regional development and spatial planning and with the bottom-up approach. The reform envisages obligation for municipalities to integrate their Sustainable Urban Mobility Plans (SUMPs) in their Integrated Municipal Development Plans (IMDPs) as well as a requirement for incorporating SUMP elements in the Integrated Territorial Strategies for Development (ITSD) of NUTS2 planning regions. Both types of strategic documents will serve as integrated territorial strategies according to art 23 of the draft CPR and will form the basis for the implementation of Integrated Territorial Investments (ITI) supported by the cohesion policy in the period 2021-2027. The new ITI approach will be implemented through partnerships of different stakeholders, including public and private sector and will be supported by most cohesion policy programmes co-financed by EU funds.

The current project represents a pilot scheme aiming to incentivise different municipalities and public transport operators to establish partnerships for implementation of measures in compliance with the corresponding SUMPs from the relevant integrated territorial strategies. All projects supported under the scheme are envisaged to serve a certain route of the mobility schemes agreed between the participating municipalities and comprise integrated sustainable mobility measures including rolling stock, digital solutions and clean charging infrastructure.

11. Does the project contribute to the development of any aspect of sustainable economic development? Please describe how.

The project contributes to each of the three pillars of sustainable economic development as follows:

Environmental Pillar – The replacement of obsolete fleet of public transport operators by new environmentally friendly and innovative rolling stock and the integrated accompanying measures for clean charging infrastructure will result in reduction of CO2 emissions and

improved air quality in the relevant cities and territories thus mitigating the consequences of human activity on climate change.

Economic Pillar – The scheme will support economic development and growth by improving connectivity between the different settlements, fostering digitalisation through intelligent transport systems and facilitating mobility of people and commuting of labour force.

Social Pillar – Improved connectivity will result in better access of population of smaller settlements to basic services in the cities. In addition, the new rolling stock unlike the existing fleet will be in compliance to all accessibility standards for people with disabilities, hence fostering social inclusion of vulnerable groups.

Taking into account the above, the proposed scheme will contribute to the following **Sustainable Development Goals (SDGs) of the United Nations**:

SDG 1 "End poverty in all its forms everywhere" – indirectly by improving access to basic services and economic resources to all men and women, in particular the poor and the vulnerable.

SDG 3 "Ensure healthy lives and promote well-being for all at all ages" – The bad air quality is a reason for many diseases, including death-causing ones. Therefore, the support for new rolling stock and clean infrastructure will indirectly promote healthy lives and well-being.

SDG 8 "Promote inclusive and sustainable economic growth, employment and decent work for all", in particular target **8.4** "Improve progressively, through 2030, global resource efficiency in consumption and production and endeavour to decouple economic growth from environmental degradation, in accordance with the 10-year framework of programmes on sustainable consumption and production, with developed countries taking the lead" – The intelligent transport systems, clean rolling stock and charging infrastructure supported under the scheme contribute to sustainable and resource efficient energy consumption.

SDG 9 "Build resilient infrastructure, promote sustainable industrialization and foster innovation", in particular target **9.4** "By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities."

SDG 11 "Make cities inclusive, safe, resilient and sustainable", in particular targets:

- **11.2 "**By 2030, provide **access to safe, affordable, accessible and sustainable transport** systems for all, improving road safety, notably by **expanding public transport**, with special attention to the **needs of those in vulnerable situations**, women, children, persons with disabilities and older persons" – all foreseen measures under the support scheme have direct contribution to this target.
- **11.3 "**By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries" – The scheme is intended to serve as a pilot for fostering inclusive and participatory bottom-up approach and sustainable road transport in compliance with the corresponding planning documents at local and regional level (integrated territorial strategies).

- **11.6 "**By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management" – the project has direct contribution to improving air quality in the cities.
- **11.A "**Support positive economic, social and environmental links between urban, peri-urban and rural areas by strengthening national and regional development planning" – the scheme will have direct contribution by supporting connectivity and linkages between between urban, peri-urban and rural areas in compliance with the relevant regional development planning documents – IMDPs and ITSDs of NUTS 2 planning regions.

SDG 12 "Ensure sustainable consumption and production patterns", target **12.2** "By 2030, achieve the sustainable management and efficient use of natural resources" – the new rolling stock and charging infrastructure will decrease the use of fossil fuels in urban and intercity transport and hence contribute to sustainable management and consumption of natural resources.

SDG 13 "Take urgent action to combat climate change and its impacts" – As a result of the foreseen support scheme there will be a reduction of CO2 emissions by transport sector which is one of the main sources of air pollution in Bulgaria.

12. Does the project contribute to the implementation of the objectives of the National Development Program BULGARIA 2030? Please describe how.

The National Development Program BULGARIA 2030 has 3 strategic goals: "Accelerated economic development", "Demographic rise" and "Reducing inequalities". 5 interconnected and integrated development axes with targeted policies and investments are envisaged to address the implementation of these goals.

The proposed scheme will indirectly support the implementation of all of them, but its most significant contribution will be to the priorities under Development Axis (DA) 2 "Green and Sustainable Bulgaria" and DA 3 "Connected and Integrated Bulgaria".

The scheme is in direct implementation of Priority "Circular and low-carbon economy" under DA 2 which envisages stimulation of low-carbon, resource-efficient and waste-free technologies and increasing the share of renewable energy consumption.

Priority "Clean air and biodiversity" of the same DA states that the main objective of environmental policy will be to improve the air quality and in particular to reduce the concentration of fine particles (dust). As already mentioned the transport sector is one of the main sources of air pollution in Bulgaria and the introduction of new clean rolling stock for energy transport will have direct contribution to the implementation of air quality objectives.

The support for new rolling stock for intercity transport under the scheme will also contribute to "Transport connectivity"-priority of DA 3 of Bulgaria 2030. However, the main contribution of the scheme in terms of DA 3 will be in the framework of priority "Local development" looking for the territorial focus of the interventions and promoting integrated place-based approach. The supported projects under the proposed scheme will be prepared and

implemented in integrated manner and through partnerships and will aim to improve interlinkages between urban, peri-urban or rural areas.

13. Does the project contribute to the implementation of the objectives and priorities set out in the National Integrated Energy and Climate Plan? If yes, please describe how.

The proposed scheme contributes to the implementation of the National Integrated Energy and Climate Plan (NIECP) with regards to two “Decarbonisation” pillar of the Energy Union.

The NIECP should ensure contribution to the collective targets of EU for decarbonization by 2030 compared to 2005, with GHG emissions reductions in the ETS and non-ETS sectors amounting to 43% and 30% respectively. The proposed scheme will contribute to the implementation of the following policy objectives leading to reduction of GHG emissions in the transport sector: promoting production and demand on electric and new environmentally friendly vehicles, accelerated deployment of the charging infrastructure for electric and hybrid vehicles and organizing awareness raising campaigns and capacity building of stakeholders regarding the development of sustainable mobility.

The foreseen measures in the transport sector with immediate effect on decarbonization according to NIECP include among others :

• Introduction of intelligent transport systems on the national and urban road network;

• Increasing the share of public electric transport - rail, trolleybus, tram, metro;

• Increasing the share of biofuels.

The proposed scheme is in compliance with these measures as it will support the introduction of ITS, new environmentally friendly rolling stock and the necessary charging infrastructure.