Subnational Business Ready in the **European Union 2024:**

BULGARIA

WORLD BANK GROUP
Development Economics | Global Indicators

SUBNATIONAL BUSINESS READY

With funding by the European Commission

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Foreword

In a world of stifled business growth, unemployment, and multiple socioeconomic crises, the significance of understanding and enhancing the business climate cannot be overstated. The launch of the *Subnational Business Ready* (B-READY) studies occurs at a pivotal moment in the context of Europe's economic landscape—they provide a rigorous and comprehensive examination of the business environments across diverse regions within six European Union Member States: Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic. This initiative is not solely analytical—it is fundamentally transformative, aiming to catalyze policy reforms and invigorate the private sector by leveraging diverse regional strengths within the European Union.

The effective cooperation between the World Bank and the European Commission, particularly the Directorate-General for Regional and Urban Policy (DG REGIO), has been instrumental in supporting Member States in achieving cohesive policy objectives. This collaboration has also generated globally relevant analytics and knowledge spillovers. The launch of these Subnational B-READY studies builds on previous studies, funded by DG REGIO, in which 115 locations from 16 Member States were benchmarked between 2017 and 2022.

The World Bank's commitment to promoting economic development and mitigating barriers that hinder private sector growth is closely aligned with its goal of eliminating poverty on a livable planet. This is reflected in the methodical approach of the Subnational B-READY team—analyzing and comparing business environments at the local level to foster sustainable and inclusive economic growth. By incorporating aspects of environmental sustainability into its assessments, the Subnational project directly supports the World Bank Group's livable planet mandate. With the continuous support of the European Commission, the project provides an overview of countries' regulatory processes, highlighting regional variations in business regulations and their practical implementation. The Subnational studies provide pathways to developing effective regulatory frameworks and enhanced administrative processes that are pivotal for economic resilience and growth.

By focusing on a range of topics, including Business Entry, Business Location, Utility Services, Dispute Resolution, and Business Insolvency, the Subnational project ensures a comprehensive evaluation of factors that influence business climates. Facilitating business entry is key for job creation and economic growth, with simple registration processes and transparency safeguarding business integrity. Secure property rights and effective land administration promote investment and market efficiency, while a robust environmental framework for construction protects the public and ensures sustainability. Reliable utility services, especially electricity and water, are critical for operations and profitability. Efficient dispute resolution and strong judicial systems encourage investment by providing timely and cost-effective processes. Finally, robust business insolvency frameworks are essential for economic stability, resilience, and job preservation. Understanding and optimizing these areas is crucial for crafting environments conducive to sustainable and inclusive business operations.

Moreover, the collaborative nature of the Subnational B-READY studies—conducted in alignment with the priorities of the national and local governments—guarantees that insights from the studies are both relevant and action-

able. This engagement is a testament to a shared commitment from various governmental levels to refine business practices for amplified economic impact.

As these assessments unfold, the objective extends beyond identifying discrepancies; the aim is to guide policy makers and foster a dialogue between local and national governments and the private sector. The exchange of best practices and success stories is intended to spark innovative and effective reforms across regions, setting a precedent for future economic enhancements.

In essence, the Subnational B-READY studies for these six nations represent more than mere reports—they are a guide toward smarter, more efficient policies that empower businesses and foster substantive economic growth. We are confident that the insights from these assessments will catalyze significant strides in private sector development and economic policy making at both regional and national levels.

We extend our deepest gratitude to all contributors, partners, and stakeholders, whose expertise and unwavering dedication have been instrumental in sculpting these comprehensive studies. Your continued engagement and insightful feedback are crucial as we advance our mission to enhance business environments globally, paving the way for an era of renewed growth and prosperity.

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Data collection was carried out in collaboration with Tsvetkova Bebov & Partners (member firm of Eversheds Sutherland), HESPA Ltd., and the Bulgarian Fintech Association. More than 220 business consultants, engineers, lawyers, electricians, architects, construction experts, information technology experts, utility providers, public officials, judges, and enforcement agents contributed to the study. The team would like to express its special gratitude to the national and local public officials and members of the judiciary who participated in the project and who provided comments during the consultation and data review period.

Subnational B-READY is a product of the Development Economics Vice-Presidency (DECVP), led by Indermit Gill, Senior Vice President and Chief Economist of the World Bank Group. B-READY is housed in the Global Indicators Group, Development Economics (DECIG), and is supervised by Norman Loayza (DECIG Director). The Subnational B-READY projects are implemented by a team led by Mădălina Papahagi (Senior Private Sector Specialist, DECSN) and Valentina Saltane (Manager, DECSN), in collaboration with other DECIG units (Business Ready, led

by Valeria Perotti, and Enterprise Analysis, led by Jorge Rodriguez Meza).

The Enterprise Analysis team collected all the B-READY firm-level data through the implementation of the expanded Enterprise Surveys and provided invaluable advice on questionnaire design and indicator development. This team is led by Jorge Rodriguez Meza (Manager) and consists of Gemechu Aga, Nesma Ali, David C. Francis, Norma Janeth Gomez Caceres, Caroline Gomes Nogueira, Arvind Jain, Filip Jolevski, Nona Karalashvili, Hibret Maemir, Eugenia Aurora Rodriguez Cuniolo, Davide Salvatore Mare, William Soh, Nazim Tamkoc, Kohei Ueda, Domenico Viganola, Rose Wairimu Gachina, and Joshua Wimpey.

The team extends its apologies to any individuals or organizations inadvertently omitted from this list and conveys its appreciation to all contributors to the Subnational B-READY in the European Union, including those whose names may not be listed here.

Executive Summary

Subnational Business-Ready (B-READY) in the European Union: A Comprehensive Assessment of Regional Business Climate

The Subnational B-READY in the European Union (EU) series is a project led by the World Bank in partnership with the European Commission's Directorate-General for Regional and Urban Policy (DG REGIO) aimed at assessing and enhancing the business environment across different regions within the EU. This year, the Subnational B-READY series cover 40 cities in six EU Member States—Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic—covering 36 European regions. This phase builds upon the World Bank's previous Subnational studies conducted in these countries between 2017 and 2022. More broadly, the former Subnational in the EU reports assessed business environments in Bulgaria, Hungary, and Romania (2017); Croatia, the Czech Republic, Portugal, and the Slovak Republic (2018); Greece, Ireland, and Italy (2020); Austria, Belgium, and the Netherlands (2021); and Denmark, Finland, and Sweden (2022), covering 115 locations across 16 EU Member States. These studies have laid the groundwork for identifying regulatory gaps and sharing best practices to strengthen the EU's regional economic cohesion. As part of an ongoing effort, the team is launching the second round of measurements, which will cover over 60 cities from the Czech Republic, Greece, Ireland, Italy, Poland, and Spain. A third round is set to begin in 2025, expanding the assessment to more EU Member States.

Objective

The primary objective of the Subnational B-READY studies is to identify and address regional disparities in regulatory environments and to promote reforms that foster private sector growth, job creation, and sustainability. The Subnational B-READY series delivers a rigorous, data-driven analysis of business climates at the local level, offering actionable insights for policy makers. By examining key areas of the life cycle of the firm—Business Entry, Business Location (including Building Permitting, Environmental Permitting, and Property Transfer), Utility Services (Electricity, Water, and Internet), Dispute Resolution, and Business Insolvency—this report offers a road map for improving administrative processes and regulatory frameworks that directly affect businesses at the local level in six Bulgarian cities: Burgas, Pleven, Plovdiv, Ruse, Sofia, and Varna.

Intended Audience

This Subnational B-READY report series targets a wide audience, from national to local government officials, and from private sector stakeholders to development agencies, policy makers, and researchers. The findings are meant to help these groups identify best practices, reduce regulatory bottlenecks, and foster a more unified and efficient business environment across regions. Additionally, the collected data serve as an effective tool for local governments, enabling them to benchmark and track performance over time vis-à-vis not only national standards but also international benchmarks. The comprehensive underlying country-specific datasets provide ample opportunities for further research in the area of private sector development and growth.

The Importance of Regional Data

An insight into regional dynamics allows an economy to be more inclusive and sustainable in its economic growth. The Subnational B-READY reports offer governments the evidence needed to design targeted reforms, allowing regions to enhance their business climates and bridge performance gaps. It is hoped that the key findings will encourage peer learning across regions by disseminating good practices observed in high-performing cities. It is expected that such a sharing of best practices would lead to cross-regional improvements and eventually spur competitiveness across the EU.

By highlighting both achievements and areas for improvement, these assessments aim to support national and regional policy makers in driving meaningful reforms. In this way, the project exemplifies the shared commitment of the World Bank and DG REGIO to enhancing economic cohesion and resilience within the EU through rigorous analysis and evidence-based policy recommendations.

Key Findings

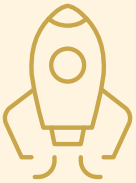
- The regulatory framework is harmonized across all six assessed Bulgarian cities and all topics measured in this report. Implementation of business regulations and associated public services can vary substantially, however, most notably in the areas of Business Insolvency and Dispute Resolution, where the largest performance gap among Bulgarian cities is observed.
- All Bulgarian cities perform best in Business Entry, at 92.8 out of 100 points—featuring adherence to international regulatory good practices, high adoption of digital technologies for public services, and a highly efficient business registration process.
- The lowest score for the measured cities is recorded in Dispute Resolution, at 71.3 points—mainly due to weaker performance related to Public Services (Pillar II).
- All Bulgarian cities have something to share with and learn from each other. Pleven, for example, scores high on Business Entry but lags in Utility Services and Dispute Resolution. Varna is among top performers in Dispute Resolution, but it has a weaker performance in Business Insolvency. Sofia does well across most areas, but it also has room for improvement in Business Insolvency.
- There is no apparent relationship between city size and performance. For instance, a comparatively smaller city, Ruse, shares the lead in Utility Services with the much larger city of Sofia. On the other hand, a large city like Plovdiv leads in both Dispute Resolution and Business Insolvency, while it lags Ruse in Utility Services. These findings also indicate that larger cities can still perform effectively despite the challenges posed by higher caseloads.
- Bulgarian cities tend to perform better on Operational Efficiency (Pillar III) than on the strength of the Regulatory Framework (Pillar I) and the quality and reliability of Public Services (Pillar II)—implying that they are efficient despite any regulatory framework and provision of public services challenges.
- Except for Business Entry, no consistent implementation of national legislation appears in practice across all topics—an intuitive result in the context of the European Union, where regulatory frameworks and delivery of many public services tend to be uniform across regions within a country, while implementation and efficiency do not.
- Entrepreneurs can register a new LLC in the six Bulgarian cities within 12 days, with the option to complete the process online. Since its introduction in 2009, the use of online registration has steadily grown. In 2023, 83 percent of all new LLCs in Bulgaria were registered online.
- The time required to obtain building permits ranges from 92 days in Plovdiv to 103 days in Sofia, while the cost of obtaining building-related permits varies from 32 percent of income per capita in Pleven to 141 percent in Sofia. Differences in waiting times and costs across cities are largely driven by municipal permits. For Environmental Permitting, the time to obtain an environmental impact assessment (EIA) varies from 44 days in Pleven to twice as long in Sofia. In terms of Property Transfer, 8 percent of firms in the Southeastern region (including Burgas) report access to land as an obstacle, while the lowest reported rates are in the Northwestern and South Central regions (including Pleven and Plovdiv), with only 3 percent.
- Time to obtain utility connections varies significantly for electricity, from 229 days in Pleven to 270 days in Plovdiv, and water, between 121 days in Sofia to 150 days in Varna. The disparity for electricity is driven primarily by the time required to issue local clearances and obtain construction permits, while the variation for water connection is largely due to the speed at which municipalities issue excavation permits and approve project designs. Similarly, service disruption varies across utilities. For electricity, utilities in Burgas and Plovdiv report the least frequent interruptions, averaging 2.6 per year, each lasting on average 2.6 hours.

Nearly 1 out of 10 firms report water insufficiencies in the Northeastern region (including Varna), and 27 percent of firms report internet service disruptions in the Northwestern region (including Pleven), both the highest levels in the country.

- **In Dispute Resolution, the greatest disparity among Bulgarian cities is in the total duration of commercial litigation proceedings, from the court of first instance through appeals. Ruse and Pleven resolve cases in ten months, the fastest in the country, while the courts in Sofia require more than two years.**
- **For Business Insolvency, courts in Plovdiv are more efficient—liquidation proceedings last 24 months, 18 months faster than in Varna, while reorganization proceedings take 6 months, half the time required in most Bulgarian cities. Similarly, Plovdiv courts—along with those in Burgas and Pleven—are also the cheapest in the country for both liquidation and reorganization proceedings.**

Areas of Improvement

Business Entry



The introduction of voluntary VAT registration at the time of incorporation for newly established companies is a step forward in simplifying the opening of new businesses. To further facilitate the process, Bulgaria can consider streamlining the risk screening procedure to shorten the time for VAT registration, which according to experts currently takes eight days. In Romania, for instance, voluntary VAT registration happens immediately, and authorities conduct a risk analysis post-registration; if authorities find issues with the application and information submitted, they can revoke the registration. Other areas of improvement for business entry in Bulgaria include eliminating the start-up capital requirement for limited liability companies. Several EU Member States, including Belgium, Finland, Ireland, and the Netherlands have eliminated this requirement.

Business Location

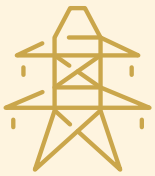
Areas of improvement in Building Permitting include improving coordination between agencies by digitalizing the permitting process. Bulgarian authorities could gain valuable insights by learning from best practices in other EU countries, such as the platforms developed in Croatia, Hungary, and some cities in Portugal. Furthermore, clarifying and better communicating the requirements and fees for obtaining building permits would enhance efficiency. Lastly, integrating spatial data platforms among agencies will allow builders to find all necessary information online at a central location, eliminating the need for multiple pre-approvals.

To improve environmental permitting in Bulgaria, authorities could develop and deploy an integrated online environmental permitting platform. This platform could introduce efficiencies in permit processing by securing online payments, providing interactive communication, automating notifications, and providing an online filing system for disputes. Further integration and digital communication between authorizing agencies such as the Regional Inspectorate of Environment and Water, the Water Directorate, the Health Inspectorate, and the municipalities could streamline the approval process and improve visibility of the application status for all parties involved. Bulgarian authorities could further streamline the process and eliminate unnecessary checks by fully adopting a risk-based approach to environmental approvals, similar to practices in Belgium and Denmark, where simpler projects are exempt from extensive environmental assessments. This approach would involve sharing criteria with permitting authorities and developing more accurate GIS-based maps for municipalities to consult when reviewing a building permit application.

To further enhance land administration and improve property transfer, Bulgarian authorities could focus on com-

pleting the digitalization and automation of processes at the Land Registry and Cadaster. Full digitalization, along with enabling seamless data exchange between the Land Registry and Cadaster databases and establishing interoperability with other key agencies involved, would improve the efficiency and security of the entire property transfer process. Additionally, ensuring that all private properties in the country are properly mapped would strengthen legal assurances and provide greater certainty regarding property rights. Finally, increasing the transparency of the land administration system by making all relevant property transaction information available online—including lists of required documents—and maintaining statistics on property-related disputes and their resolution times would be highly beneficial.

Utility Services



Potential areas for improvement in utility service provision and efficiency within the electricity sector include implementing and enhancing online platforms for electricity connection applications across all cities, supported by online customer assistance, clear guidelines, and awareness campaigns. Increasing transparency and accountability by collecting and publishing statistics on processing times, connection costs, and service reliability would help set clear expectations and drive performance improvements. Additionally, introducing a platform that streamlines the application process and facilitates collaboration between agencies for tasks such as excavation permit approvals would be beneficial. Establishing a shared database for network lines among multiple utility providers would further enhance coordination. Finally, adopting a one-stop-shop approach for obtaining construction or excavation permits and other pre-approvals would significantly reduce delays and boost efficiency.

In the water utility services area, several opportunities for improvement can be explored. Implementing comprehensive online application platforms for water connections would streamline the process and reduce the need for in-person visits. Publishing stipulated connection time standards online and providing clear, accessible information about the process and costs would enhance transparency and improve the customer experience. Coordination among utilities could be improved by introducing an online system for excavation permit approvals and by adopting GIS-based databases for existing water networks, like those used in Sofia and Varna. Furthermore, introducing requirements and incentives for businesses to adopt water-saving practices, such as installing water-efficient appliances and adhering to water-saving targets, could promote sustainability.

Dispute Resolution

Improving dispute resolution in Bulgaria may be achieved through several key steps. First, enhancing the current pretrial phase to include improved case management and pretrial conferences with all parties involved would be useful. Second, setting clear rules on the maximum number of adjournments in commercial disputes, specifying exceptions, would improve the effectiveness of commercial litigation. Finally, creating specialized courts for small claims or introducing small claims procedures within the current system would streamline litigation for smaller businesses with lower claim values.

Business Insolvency

Suggested improvements in Bulgaria's insolvency proceedings address several key areas. First, to ensure fair treatment of creditors, greater scrutiny is required on asset transfers occurring shortly before the commencement of insolvency proceedings. Second, complete and homogeneous adoption of technological tools across all courts would be beneficial. Finally, enhancing transparency around the appointment of insolvency practitioners and strengthening their capacity through initial and ongoing training would be important.

Table 1. Summary of Potential Opportunities for Regulatory Improvement in Bulgaria

Topic	Areas for Improvement	Relevant Stakeholders
Business Entry	Eliminate the start-up capital requirement for limited liability companies	• Ministry of Justice • Registry Agency
	Conduct risk analysis post-registration for voluntary VAT registration	• Ministry of Justice • Registry Agency • National Revenue Agency
Business Location	Building Permitting	
	Review the cost structure for building permits	• Directorate for National Construction Supervision (DNSK) • Municipalities
	Clarify and better communicate the requirements and fees for the building permitting process	
	Improve coordination between agencies by digitalizing the building permitting process	
	Environmental Permitting	
	Develop and deploy an integrated online environmental permitting platform	• Ministry of Environment and Water • Regional Inspectorate of Environment and Water
	Further streamline communication between authorizing agencies	
	Fully adopt a risk-based approach to environmental approvals	
	Property Transfer	
	Complete digitalization and automation of processes at the Land Registry and Cadaster	• Registry Agency (Property Register) • Agency of Geodesy, Cartography, and Cadaster • Ministry of Justice • Ministry of Regional Development and Public Works
	Ensure that all private properties are mapped	• Agency of Geodesy, Cartography, and Cadaster
	Increase transparency by making all relevant information for property transactions available online	• Registry Agency (Property Register) • Ministry of Justice
	Publish annual statistics on land disputes and gender-disaggregated data on property ownership	
Utility Services	Electricity	
	Strengthen the online application platforms and increase awareness of online services	• Energy and Water Regulatory Commission (EWRC) • Distribution utilities • Municipalities
	Improve the reliability of electricity supply and increase transparency by collecting and publishing relevant KPIs on reliability of electricity supply	• Energy and Water Regulatory Commission (EWRC) • Distribution utilities
	Increase transparency and accountability by collecting and publishing statistics	
	Streamline the process of getting a construction permit and other pre-approvals	• Energy and Water Regulatory Commission (EWRC) • Distribution utilities • Municipalities • Other relevant utility service providers
	Replace site inspection with self-certification of compliance	• Directorate for National Construction Control (DNCC) • Distribution utilities • Municipalities • Other relevant utility service providers

Table 1. Summary of Potential Opportunities for Regulatory Improvement in Bulgaria

Topic	Areas for Improvement	Relevant Stakeholders
Utility Services	Water	
	Enable online application for new water connections	• Energy and Water Regulatory Commission (EWRC) • Water utilities
	Publish stipulated water connection time standards online	• Water utilities
	Implement a GIS-based database for the identification of existing utility networks	
	Streamline clearances across utilities and local authorities	• Water utilities • Municipalities
	Introduce requirements and incentives for businesses to adopt water-saving practices	• Energy and Water Regulatory Commission (EWRC)
Dispute Resolution	Establish small claims court or fast-track procedures for small claims	• Ministry of Justice • Supreme Judicial Council
	Introduce pretrial hearings as a case management technique	
	Regulate the maximum number of adjournments	
Business Insolvency	Enhance the transparency of asset transfers by considering the implementation of more rigorous oversight for debtors in the process of selling or donating assets	• Ministry of Justice • Trade Registry
	Ensure complete and homogeneous adoption of technological tools across Bulgarian courts	• Ministry of Justice • Supreme Judicial Council
	Strengthen the capacity of insolvency administrators and practitioners, including enhanced transparency in the appointment process	
	Adopt tailored training programs for judges who are dealing with insolvency proceedings	

Source: Subnational Business Ready

Methodology

As part of the World Bank's overarching effort to promote private sector development, the Subnational B-READY provides assessments of the business environment in select cities within measured economies with the aim of delineating the geographic variation. The assessments adopt a holistic view of the private sector as they consider all the stakeholders in private sector development—including existing firms, potential entrants, and the citizens at large—by evaluating aspects such as transparency and environmental requirements. The assessments are based on original data collected by the Subnational B-READY team and are published through reports and online.

As a new product, the Subnational B-READY is using the methodology of the Global B-READY report, adapting it to project-specific contexts based on client needs. Over time, the project will grow in geographic coverage, and its methodology will be refined. In the first phase of the Subnational European Union (EU) project, the Subnational B-READY assessments have been prepared for 40 cities in six EU economies—namely, Bulgaria, Croatia, Hungary, Portugal, Romania, and the Slovak Republic.

The selection of cities for Subnational B-READY assessments in the EU is based on geographical coverage and size in consultations with the European Commission and the national governments. In Bulgaria, the Subnational B-READY covers six cities in six regions at the NUTS2[1] level: Burgas (Southeastern), Pleven (Northwestern), Plovdiv (Southern Central), Ruse (Northern Central), Sofia (Southwestern), and Varna (Northeastern) (map 1).

Map 1. Cities in Bulgaria Covered by Subnational B-READY

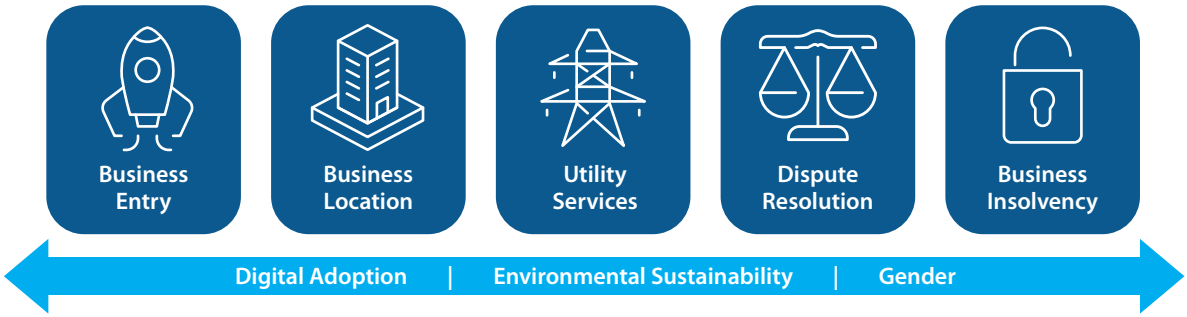
Source: Subnational Business Ready

Subnational B-READY assessments in the EU are organized into five topics that follow the life cycle of the firm: Business Entry, Business Location, Utility Services, Dispute Resolution, and Business Insolvency (figure 1). Across the five topics, assessments include crosscutting areas of digital adoption, environmental sustainability, and gender.

Each of the five Subnational B-READY topics rests on three pillars: Regulatory Framework, Public Services,

1 Nomenclature of Territorial Units for Statistics (NUTS) is a geocode standard for referencing the administrative divisions of countries for statistical purposes developed and regulated by the European Union. There are three major categories of administrative divisions: NUTS1 (major socio-economic regions), NUTS2 (basic regions for regional policies), and NUTS3 (small regions for specific diagnoses). For more details, see https://ec.europa.eu/eurostat/web/nuts.

Figure 1. Subnational B-READY Topics



Source: Business Ready

and Operational Efficiency (figure 2). The Regulatory Framework pillar comprises the rules and regulations that firms must follow as they open, operate, and close a business. Public Services refers to both the facilities that governments provide to support compliance with regulations and the institutions and infrastructure that enable business activities. In the project, public services are limited to the business environment areas related to the life cycle of the firm. Operational Efficiency refers to both the ease of compliance with the regulatory framework and the effective use of public services directly relevant to firms.

The Subnational B-READY methodology compiles a large set of indicators for each pillar within each topic following the Global B-READY categorizations.[2] The selection of indicators is based on their relevance, value added, and complementarity. These indicators have five major characteristics: they are indicative of established good practices; they are quantifiable and actionable through policy reforms; they seek to balance *de jure* and *de facto* measures within topics; they are comparable across economies and representative within each economy; and they span the most relevant aspects of each topic.

In the Regulatory Framework pillar, the indicators address the quality of rules and regulations, distinguishing between those that lead to clarity, fairness, and sustainability of the business environment and those that impose unnecessary restrictions on entrepreneurial activity. In the Public Services pillar, the indicators emphasize digi-

Figure 2. Subnational B-READY Pillars

Source: Business Ready

2 Adjustments have been made to the Global B-READY indicators to make them more suitable for Subnational B-READY assessments: two indicators in the Operational Efficiency pillar of Business Entry have been excluded due to not being relevant at the regional level, and one indicator in the Operational Efficiency pillar of Business Location has been excluded due to insufficient regional coverage.

talization, interoperability, transparency, and adequacy of services directed at easing regulatory compliance and enabling business activities. In the Operational Efficiency pillar, the indicators across topics assess a firm's experience in practice with respect to the business environment.

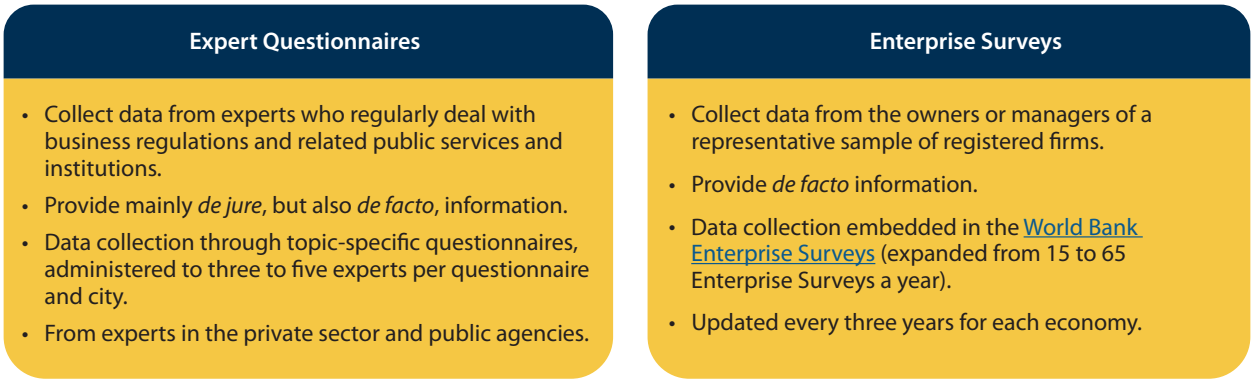
The Subnational B-READY combines primary data from expert questionnaires with data collected through Enterprise Surveys following the Global B-READY methodology (figure 3). In the EU context, data from the Enterprise Surveys aggregated at the NUTS2 region level were used for each city. Detailed data to help produce the Regulatory Framework and Public Services indicators were collected exclusively through expert questionnaires. Data for the Operational Efficiency indicators were collected through a combination of expert questionnaires and Enterprise Surveys for Business Location, Utility Services, and Dispute Resolution.[3] For topics related to issues that are not faced routinely by firms, such as Business Entry or Business Insolvency, the data-collection process relied solely on expert questionnaires.

Similar to the Global B-READY methodology, in the Subnational B-READY, data collected through expert surveys are validated against surveys received from the public entities. All responses that result in contradictory or inconclusive data points are followed up on with the experts. Moreover, in the case of the Subnational B-READY methodology, the reconciliation process is pursued until the data point is firmly established through hard evidence based on additional research, in-depth interviews with contributors, or data validation with public entities.

The Subnational B-READY implements a scoring methodology that aggregates individual indicators to subcategories, categories, and pillars following the Global B-READY methodology (figure 4). The methodology allows comparisons across pillars and economies by weighting each subcategory accordingly. From indicators to pillars, scores are aggregated through summation of the weighted scores. Each pillar is scored out of 100, and the topic score is obtained by averaging the pillar scores.

The Subnational B-READY is governed by the highest data-integrity standards, including sound data-gathering processes, robust data safeguards, and clear approval protocols, which are detailed in the *Subnational Business Ready (B-READY) Manual and Guide*, publicly available on the Subnational B-READY website. Additionally, the B-READY Methodology Handbook details both the B-READY indicators and the scoring approach. Any deviations from the B-READY Methodology Handbook are detailed in the Subnational B-READY Manual and Guide. The project governance documents will be updated and improved as the project progresses through the initial phases. The cornerstone of B-READY governance is transparency and replicability; as such, all data at the individual city level used to calculate scores will be made publicly available on the project's website.

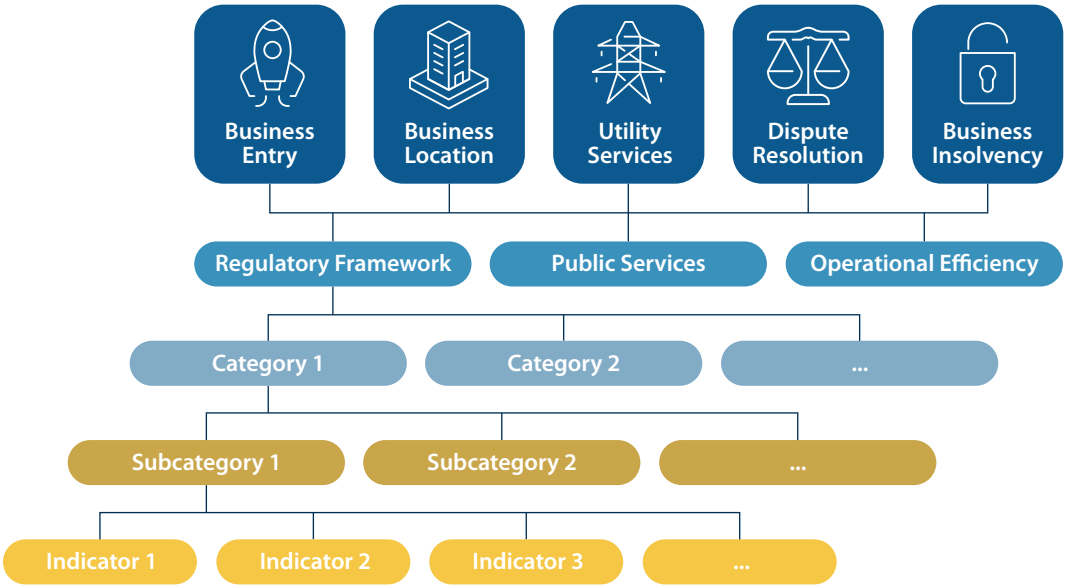
Figure 3. Subnational B-READY Data Sources



Source: Subnational Business Ready

3 For one indicator in the Operational Efficiency pillar of the Utility Services topic, data from expert surveys, rather than Enterprise Surveys, have been used, in contrast to the Global B-READY, because of limitations of the Enterprise Surveys data at the regional level.

Figure 4. Subnational B-READY Scoring Cascade



Source: Business Ready

Overall Results

Implementation of business regulations and associated public services can vary substantially across Bulgarian cities, depending on the topic (figure 5). Business Insolvency and Dispute Resolution are the areas in which the largest performance gap among cities is observed. Scores in Business Insolvency vary from 69.4 points in Varna to 76.4 points in Plovdiv. The variation in insolvency is driven by local court efficiency. Plovdiv stands out as the most efficient city both in terms of time and cost associated with liquidation[4] and reorganization[5] proceedings. In Varna, the liquidation and reorganization proceedings take twice as long as in Plovdiv. In dispute resolution, the scores vary from 68.9 points in Pleven to 72.8 in Plovdiv. The variation is driven both by the available services as well as efficiency.

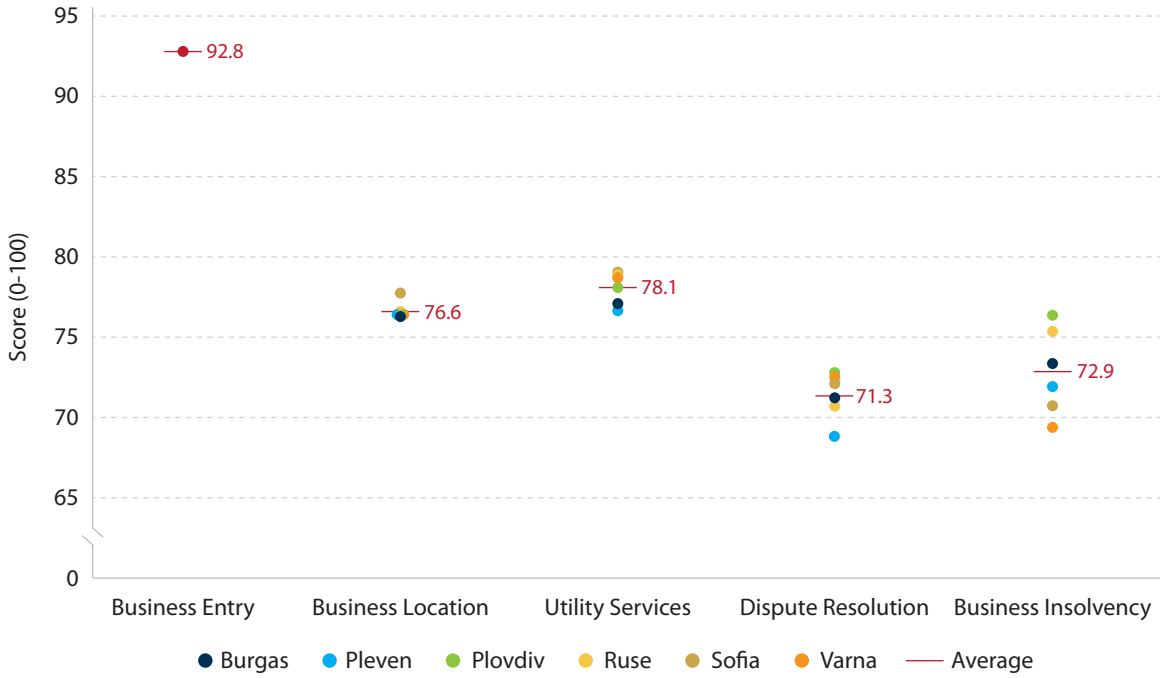
The Utility Services area also shows significant variation across Bulgarian cities, ranging from 76.6 points in Pleven to 79 points in Sofia. The variation is evident across all three subtopics of this area, namely Electricity, Internet, and Water. This is unsurprising given the diversity of utility providers across regions. In terms of the aggregate topic score, Business Location shows minor variation over its three subtopics: Building Permitting, Environmental Permitting, and Property Transfer. While barely any variation occurs in Environmental Permitting or Property Transfer, variation is also minimal within the Building Permitting subtopic, where implementation is typically under the purview of local authorities. The results in Business Location show a strong degree of convergence across Bulgarian cities, both in terms of Regulatory Framework and Public Services, where all cities have identical scores, except for Sofia, which performs better on Public Services, as well as in terms of the efficiency of implementation of regulations at the local level, where all cities score similarly. Overall, the scores for the topic range from 76.2 out of a 100 in Burgas to 77.7 in Sofia.

Across the five topics benchmarked in this study, Bulgarian cities have the highest average score in the topic of Business Entry, at 92.8 points (figure 5). No variability emerges across cities, indicating that company incorporation processes are implemented with equal effectiveness across the country. The topic is also characterized by a high degree of centralization of processes and requirements. The regulatory framework in the country follows international good practices. Public services for incorporation and start of business operations offer online tools and exchange of data between relevant agencies. Discounted costs encourage entrepreneurs to use online platforms for registration. Lastly, the business entry process in Bulgarian cities is highly efficient, taking only 12 days at a negligible cost.

The lowest average score across Bulgarian cities is recorded in the topic of Dispute Resolution, at 71.3 out of 100

4 Liquidation is the process of assembling and selling the assets of an insolvent debtor to dissolve the company and distribute the proceeds to its creditors. Liquidation may include the piecemeal sale of the debtor's assets or the sale of all or most of the debtor's assets as a going concern. The term *liquidation* refers only to formal in-court insolvency proceedings and does not include the voluntary winding up of a company.
5 Reorganization refers to the collective proceedings through which the financial well-being and viability of a debtor's business may be restored based on a reorganization plan, so that the business can continue to operate as a going concern, including debt forgiveness, debt rescheduling, debt equity conversions, and sale of the business (or parts of it). The term *reorganization* refers exclusively to formal in-court proceedings available to all commercial debtors and does not include schemes of arrangement and out-of-court agreements with creditors.

Figure 5. Overall Topic Scores, by City



Source: Subnational Business Ready

points. This is mainly due to weaker performance under Pillar II, Public Services, where all Bulgarian cities have room for improvement. For instance, no city in Bulgaria has a small claims court or offers any fast-track procedures for small claims. Additionally, Bulgarian courts lag in digitalization, particularly as it pertains to issuing judgments in electronic format, conducting online auctions, or making comprehensive statistics available online for courts, arbitration, and mediation.

The report findings show that most Bulgarian cities have something to share with and learn from each other. For example, Pleven does relatively well in some areas, but lags in Utility Services and Dispute Resolution. Varna is among top performers in Dispute Resolution, but it shows weaker performance in Business Insolvency. Plovdiv leads in both Dispute Resolution and Business Insolvency, while it lags Ruse and Sofia in Utility Services.

There is no apparent relationship between city size and performance. A smaller city like Ruse shares the lead with the much larger city of Sofia in Utility Services, while a large city like Plovdiv leads in both Dispute Resolution and Business Insolvency. These findings suggest that bigger cities can still perform well despite the challenges they may face from higher caseloads.

Pleven has the largest gap between the highest (Business Entry) and the lowest (Dispute Resolution) topic scores, with about 24 points. On the other hand, Plovdiv shows the highest cross-topic convergence in terms of results with the highest-versus-lowest score gap of 20 points. Lastly, while all cities score best in the areas of Business Entry and Utility Services, the bottom two topic scores vary mainly between Dispute Resolution and Business Insolvency. More specifically, the lowest scores for Burgas, Pleven, Plovdiv, and Ruse are on Dispute Resolution. Unlike other cities measured in this report, local courts in Burgas, Pleven, and Ruse do not have separate commercial divisions in which judges adjudicate on commercial cases exclusively.[6] This factor impacts their score under the Public Services pillar for the topic. Sofia and Varna score the lowest on Business Insolvency because their local courts are less efficient than those of other cities in handling both liquidation and reorganization proceedings.

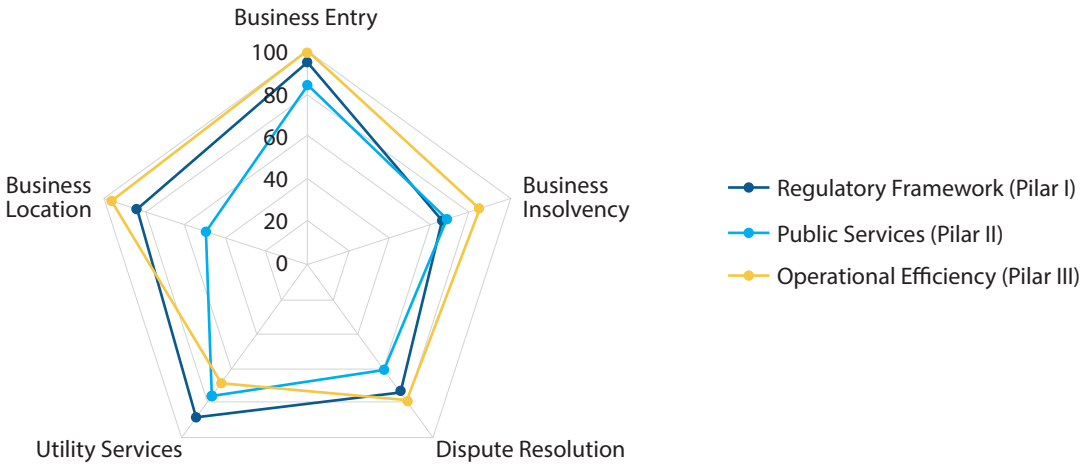
6 The district court in Ruse has established a separate commercial division; however, according to the public sector contributors interviewed for this study, four judges in Ruse's commercial division continue to hear both commercial and civil cases.

Bulgarian cities tend to perform better on Operational Efficiency (Pillar III) in four out of the five measured areas—the exception being Utility Services—than on the strength of the Regulatory Framework (Pillar I) and the quality and reliability of Public Services delivery (Pillar II), respectively (figure 6). One can infer that Bulgarian cities can be efficient despite challenges in the regulatory framework and public service delivery. Lastly, the Public Services provision generally lags the other two pillars, most notably in the areas of Business Location, Dispute Resolution, and Business Entry. The most vivid example is in Business Location, where Bulgarian cities on average score only 50 points out of 100 on the Public Services pillar, while scoring on average 84 and 97 points in the quality of the Regulatory Framework and Operational Efficiency pillars, respectively. The low scores on the Public Services pillar are driven by the lack of availability and reliability of digital services, such as online platforms for building permit applications or environmental permit applications. Overall, Bulgarian cities have room to improve their public service delivery methods across the various topics.

City score breakdown by pillar shows that, except for Business Entry, variation is consistent in implementing national legislation across all topics (Pillar III) (figure 7). This result is intuitive, especially in the context of the European Union, where regulatory frameworks and delivery of many public services tend to be uniform at the national and subnational levels, while implementation is not. In the score of Pillar III (Operational Efficiency) for Business Insolvency, a greater than 20-point gap exists between Plovdiv (94.5 points) and Varna (73.5 points)—the largest across all topics. Similarly, in Dispute Resolution, Burgas receives the highest score (83.1 points), while Pleven scores almost 10 points less (73.4 points). The Operational Efficiency pillar features variation on the time and cost to obtain services across most topics. Utility Services also shows variation on the level of service disruptions based on SAIDI and SAIFI statistics for Electricity and, as reported by firms, for Internet and Water. Firms in the Northwestern and Southeastern regions (including Pleven and Burgas, respectively) do not experience water insufficiencies, but nearly one in ten firms in the Northeastern region (including Varna) does. Lastly, the Operational Efficiency pillar under Dispute Resolution, as reported by firms, shows differences across Bulgarian regions for both courts and the reliability and impartiality of alternative dispute processes. The Northwestern region (including Pleven) has the greatest share of firms (at 62 percent) that do not find courts to be independent and impartial and the largest share of firms (at 25 percent) that do not find arbitration to be a reliable alternative to courts. On the other hand, 30 percent of firms do not find courts to be independent and impartial in the Southeastern region (including Burgas) and 13 percent of firms do not find arbitration to be a reliable alternative to courts in the Northeastern region (including Varna).

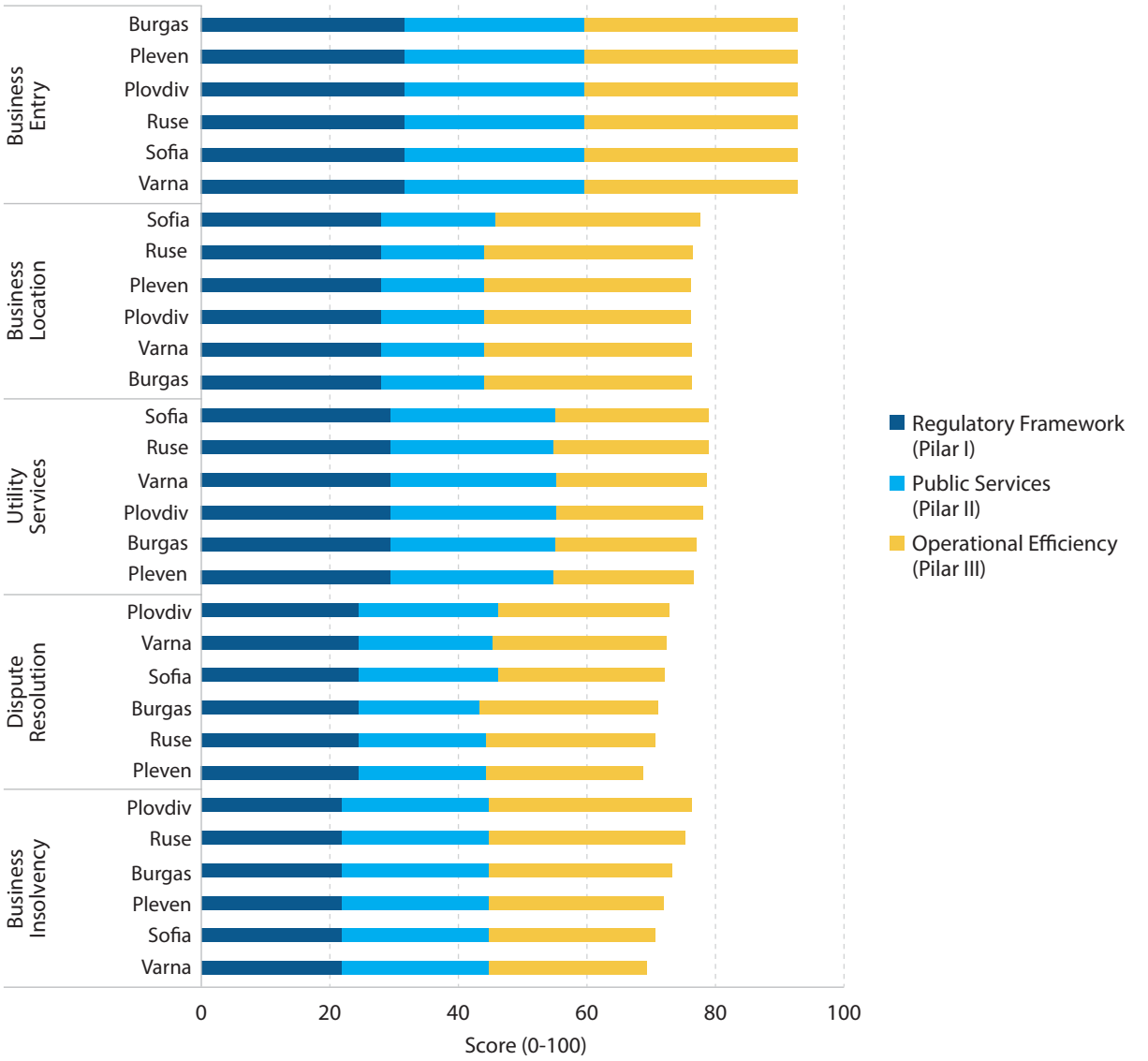
Although the effect is less pronounced than in Operational Efficiency (Pillar III), the variation across Bulgarian cities is also affected by the provision of Public Services (Pillar II) in three areas: Business Location, Utility Services, and Dispute Resolution. Certain cities stand out here, with Sofia leading the scoring in Pillar II in all three topics joined by Plovdiv in two topics (Utility Services and Dispute Resolution). In

Figure 6. Average Pillar Scores, by Topic



Source: Subnational Business Ready

Figure 7. Topic Scores, by City and Pillar



Source: Subnational Business Ready

Business Location, Sofia is the only city where spatial plans and zoning requirements are available in the form of a Geographic Information System (GIS) or other spatial data platforms open to all stakeholders. This shows that bigger cities with much heavier caseloads can match or surpass cities with smaller caseloads in providing public services. The largest scoring gap for Pillar II is observed in Dispute Resolution, where Plovdiv and Sofia lead with 64.6 out of 100 points, while Burgas scores about 8 points less (56.3 points). The variation is driven exclusively by this topic's court litigation category, which measures (1) organizational structure, (2) digitization, and (3) transparency (including gender equality). Both Plovdiv and Sofia have specialized divisions of courts dedicated solely to hearing commercial cases at the first instance level. These courts also conduct virtual hearings on urgent matters when requested by a party. In terms of court transparency, no courts in Bulgaria make publicly available information on appointment and promotion of judges or statistics on disposition rates, clearance rates, number of judges disaggregated by sex, or efficiency of enforcement proceedings.

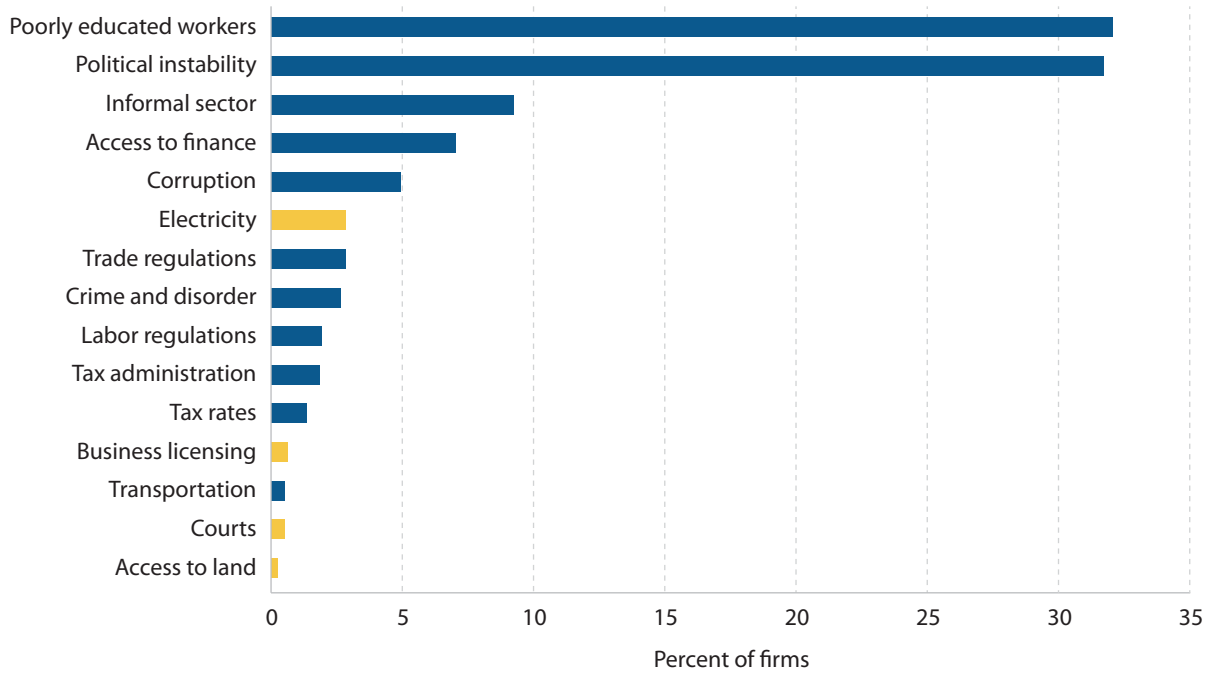
The best performing topic on Pillar I is Business Entry (95 points), followed by Utility Services (88.5 points), while Dispute Resolution and Business Insolvency lag. Dispute Resolution provides room for improvement in areas affect-

ing procedural certainty, where legal standards are lacking for serving complaints and for setting the maximum number of adjournments. Additionally, the regulations on legal safeguards for arbitration and mediation can be significantly improved. The lower score in Business Insolvency is affected, among other factors, by lack of (1) out-of-court restructuring mechanisms, (2) electronic voting on reorganization plans, (3) exceptions or relief for automatic stays of proceedings, and (4) specialized insolvency proceedings for micro, small, and medium enterprises (MSMEs).

Findings from the Enterprise Surveys Data

Results from the World Bank Enterprise Surveys[7] implemented in Bulgaria in 2023 show that the top three business environment obstacles faced by firms in the country are tax rates, lack of skilled workers, and the informal sector (figure 8). Among the responses directly related to the areas measured by *Subnational Business Ready*, electricity is ranked highest as sixth, with around three percent of the firms considering it as the biggest obstacle, whereas business licensing, courts, and access to land are ranked within the bottom four.

Figure 8. Biggest Business-Environment Obstacles Reported by Firms



Source: World Bank Enterprise Surveys 2023
Note: Respondents were asked to choose the biggest obstacle from a list of 15 obstacles. Yellow bars show responses directly related to the areas studied by Subnational Business Ready.

7 For more information, visit the Enterprise Surveys website at https://www.enterprisesurveys.org/

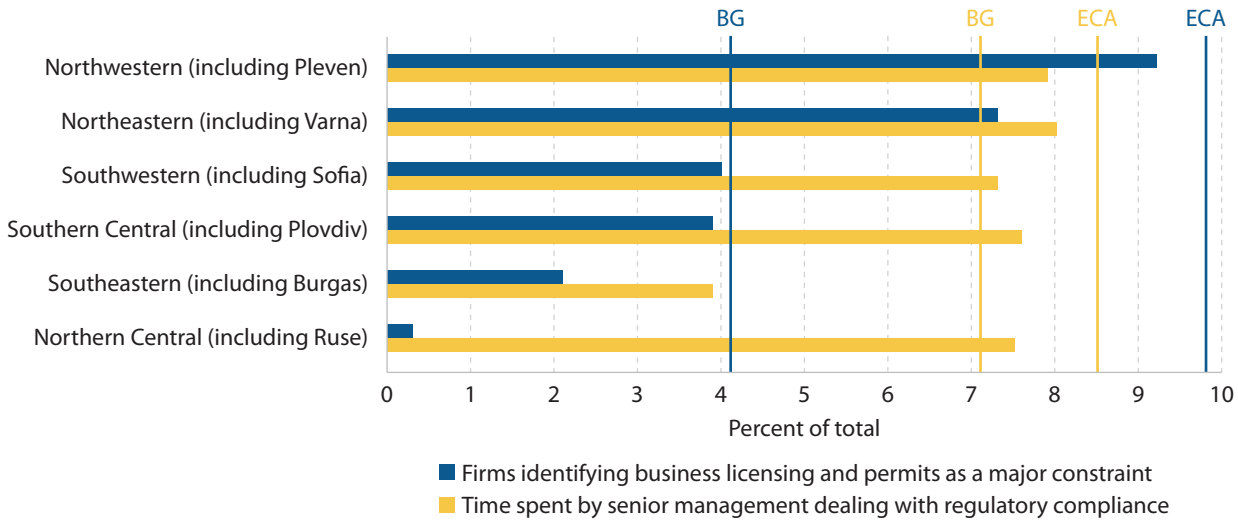
On average, companies' senior managements spend 7.1 percent of their time dealing with regulatory requirements (figure 9). This is below the regional average for Europe and Central Asia, which stands at 8.5 percent. The survey results cover each of the NUTS2 regions within Bulgaria, most of which fare similarly in this metric, at around 7 to 8 percent. One exception is the Southeastern region (including Burgas), where firms reported that, on average, senior management of companies spends less than 4 percent of their time dealing with regulatory requirements. While it is difficult to conclude why firms in the Southeastern region report such results, it should be noted that a similar trend is observed on another indicator collected by the Enterprise Surveys: percent of firms that visited or were required to meet with tax officials. Only 17.9 percent of the firms in the Southeastern region reported doing so, while most other regions across the country reported numbers close to 40 percent or more.

About 4 percent of firms in Bulgaria identify business licensing and permits as a major constraint—less than half the regional average for Europe and Central Asia. Analysis of the data across country regions shows mixed results, however. In the Northwestern region (including Pleven) the number stands at 9.2 percent, the highest in the country and very close to the Europe and Central Asia regional average. The Northern Central region (including Ruse) on the other hand, stands out with hardly any firms identifying business licensing and permits as a major constraint.

Another aspect of the business environment analyzed by the World Bank Enterprise Surveys is infrastructure. Electricity is a good proxy, and it happens to be an area that a significant number of Bulgarian firms identify as a major constraint—at almost 27 percent. That number is close to the average in Europe and Central Asia (25.8 percent) as well (figure 10). Within Bulgaria, the results vary greatly by region; for example, only 10 percent of firms identify electricity as a major constraint in the Southern Central region (including Plovdiv), while 40 percent of firms do so in the Northwestern and Northern Central regions (including Pleven and Ruse, respectively). Countrywide, about 34 percent of large firms identify electricity as a major constraint, followed by medium firms with 28.5 percent and small firms with 25 percent.

About 20 percent of firms report experiencing electrical outages countrywide, less than the regional average for Europe and Central Asia (27.5 percent). Information from across the Bulgarian regions shows a strong correlation between the number of firms identifying electricity as a major constraint and the number of firms reporting experiencing electrical outages. Firms in the Southeastern and Southern Central regions (including Burgas and Plovdiv, respectively), for example, report the lowest numbers in both indicators across the country. Conversely, firms in the Northwestern region (including Pleven) report the country's highest numbers. It is challenging to assess the extent to which these indicator

Figure 9. Percentage of Firms that Identify Licensing and Permits as a Constraint and Percentage of Time Spent on Regulatory Compliance, by Region

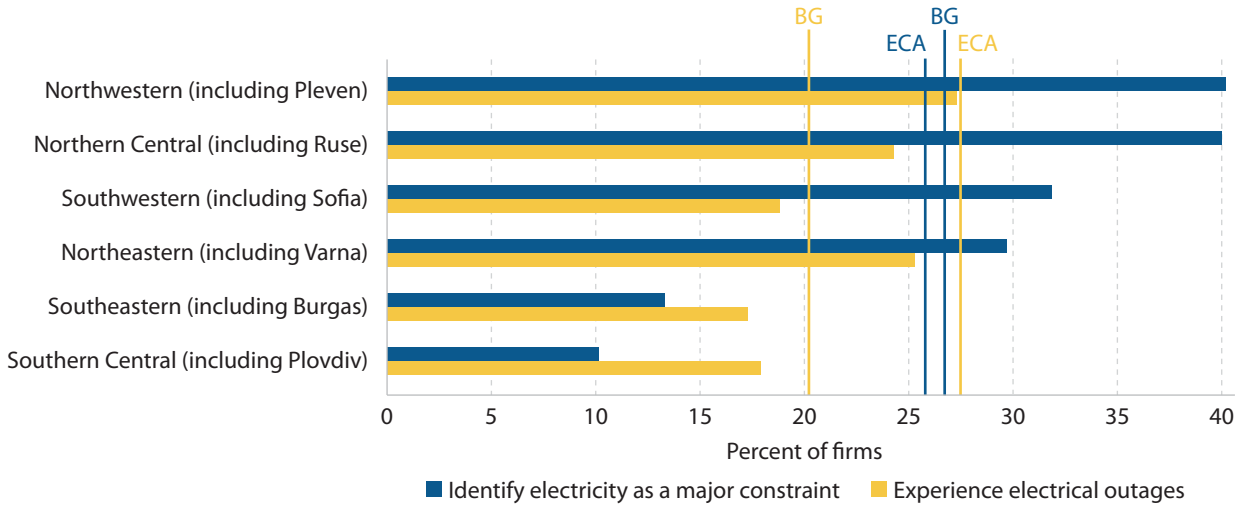


Source: World Bank Enterprise Surveys 2023
Note: Vertical lines indicate the countrywide and region-wide averages in the measures. BG = Bulgaria. ECA = Europe and Central Asia).

results are influenced by the performance of each region's electricity distribution system operators. Three distributors cover two cities each. Burgas and Plovdiv, located in the regions with the lowest reported numbers, share the same electricity provider: EVN group.

The reported average losses due to electrical outages range from 0.4 percent of annual sales for medium firms to 1.7 percent of annual sales for large firms. Small firms reported average losses of 0.9 percent of annual sales. Despite electrical outages being quite rare, about 22.5 percent of large, 17.4 percent of medium, and 4.6 percent of small firms own or share a generator. When used, generators on average produce 13 percent of electricity.

Figure 10. Percentage of Firms that Experience Electricity Outages and That Identify Electricity as a Constraint, by Region



Source: World Bank Enterprise Surveys 2023
Note: Vertical lines indicate the countrywide and region-wide averages in the measures. BG = Bulgaria. ECA = Europe and Central Asia).

Business Entry[8]

Entrepreneurs in Bulgaria benefit from business entry regulations that follow good international practices in registration requirements and simplified processes. These include requirements to register complete information on new businesses as well as any subsequent changes in this information. To improve financial transparency and combat illicit activities, a 2018 reform to the regulatory framework introduced the added obligation to register beneficial ownership information[9] in the Commercial Register. Similarly, regulation allows simplified company registration and provides a risk-based approach for business licensing. Bulgaria also follows good international practices regarding restrictions for business entry. Nonetheless, national regulations maintain a negligible paid-in minimum capital requirement to open a new Limited Liability Company (LLC), applicable to both domestic and foreign investors.

Availability of electronic services and infrastructure in Bulgaria facilitates the business entry process. Company records are digitized and stored in a fully electronic database with national coverage, and entrepreneurs can register their companies using standard registration forms in-person or online. This process registers new companies with the tax authority and social security in the same step, as the Registry Agency and the National Revenue Agency automatically exchange information on new business registrations as well as updates to company information. Additionally, companies are assigned a Unified Identification Code (UIC) that is used by other relevant agencies to identify the company and that serves as the basis for the VAT number issued by the National Revenue Agency. Although electronic signature and authentication options are available, Bulgaria lacks a fully automated identity document verification process.

Available and transparent online information includes official websites offering details on documents necessary to establish a new business, associated fees, and service standards. Electronic searches provide public access to company records and information on public programs to support small and medium enterprises (SMEs). Information on environmental permit requirements for low-risk businesses and programs aiding women-led SMEs is not publicly accessible, however. Statistics on newly registered companies are also published online but they do not include sex-disaggregated data.

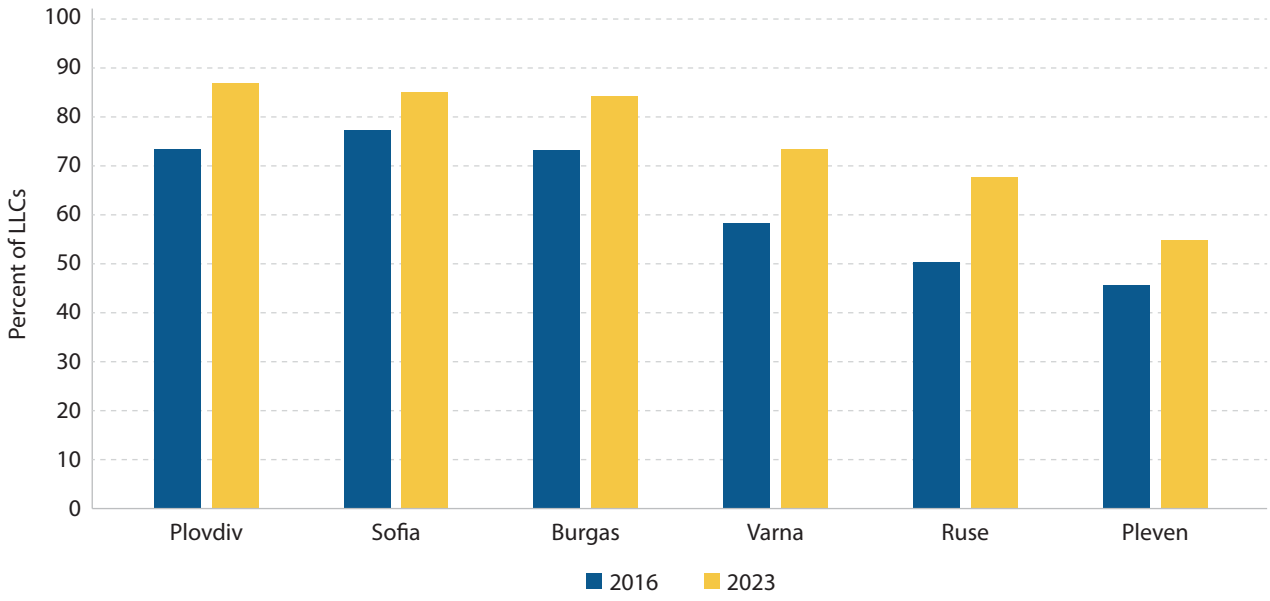
Entrepreneurs in the six Bulgarian cities can register a new LLC in 12 days. The steps to open a new business and complete all formalities include notarizing company documents, opening an escrow account, registering with the Registry Agency, and enrolling employees with the National Revenue Agency. In 2023, 83 percent of new LLCs in Bulgaria were registered online. The take-up of the online registration option has steadily increased since it became available in 2009 and since the last subnational assessment conducted in the country in 2017. Differences remain among the six cities, however, as the use of electronic signatures is more limited in some of them. Just over half of entrepreneurs in Pleven chose online registra-

8 See section 2, "Business Entry in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
9 A beneficial owner is considered as the natural person who ultimately owns or controls a company, even if the title to the property is under another name (that is, the ownership or control is exercised through a chain of ownership or by means of control other than direct shareholding).

tion, compared to 87 percent in Plovdiv (figure 11). Yet the method of registration has no impact on the time required to complete it, as the regulations setting time limits for the Registry Agency to complete the process are respected in practice. In 2019, voluntary VAT registration became available for new businesses, allowing companies to register for VAT when they file for incorporation with the Registry Agency—by selecting a box in the incorporation forms—and before they reach the threshold for mandatory VAT registration. Costs associated with opening a new LLC are equivalent to 0.6 percent of income per capita.[10]

Table 2 provides a detailed overview—by pillar, category, and subcategory—of the Bulgarian cities' performance on the business entry topic. The column with the re-scaled points indicates the total maximum points a city can get on each of the measured areas. For example, under Pillar I (Quality of Regulations for Business Entry), category 1.2 (Restrictions on Registering a Business), subcategory 1.2.1 (Domestic Firms), cities received 22.5 points (out of a possible 25 points) due to the existence of a paid-in minimum capital requirement to open a new LLC. Conversely, all cities receive the maximum number of points on some of the other subcategories, such as Company Information Filing Requirements (15 out of 15) and Risk-based Assessment for Operating Business and Environmental Licenses[11] (10 out of 10).

Figure 11. Registration of New LLCs, by City



Source: Registry Agency
Note: LLC = Limited Liability Company

10 Bulgaria's 2021 Gross National Income (GNI) per capita is BGN 18,523.
11 A risk-based approach for business and environmental licensing prioritizes resources and oversight based on the level of risk associated with specific business activities or sectors.

Table 2. Business Entry Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar I – Quality of Regulations for Business Entry									
1.1	**Information and Procedural Standards**	**18**	**50**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**	**50.0**
1.1.1	Company Information Filing Requirements	7	15	15.0	15.0	15.0	15.0	15.0	15.0
1.1.2	Beneficial Ownership Filing Requirements	6	15	15.0	15.0	15.0	15.0	15.0	15.0
1.1.3	Availability of Simplified Registration	3	10	10.0	10.0	10.0	10.0	10.0	10.0
1.1.4	Risk-based Assessment for Operating Business and Environmental Licenses	2	10	10.0	10.0	10.0	10.0	10.0	10.0
1.2	**Restrictions on Registering a Business**	**19**	**50**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**	**45.0**
1.2.1	Domestic Firms	9	25	22.5	22.5	22.5	22.5	22.5	22.5
1.2.2	Foreign Firms	10	25	22.5	22.5	22.5	22.5	22.5	22.5
	Total	**37**	**100**	**95.0**	**95.0**	**95.0**	**95.0**	**95.0**	**95.0**
Pillar II – Digital Public Services and Transparency of Information for Business Entry									
2.1	**Digital Services**	**11**	**40**	**35.0**	**35.0**	**35.0**	**35.0**	**35.0**	**35.0**
2.1.1	Business Start-Up Process	6	20	20.0	20.0	20.0	20.0	20.0	20.0
2.1.2	Storage of Company and Beneficial Ownership Information	3	10	10.0	10.0	10.0	10.0	10.0	10.0
2.1.3	Identity Verification	2	10	5.0	5.0	5.0	5.0	5.0	5.0
2.2	**Interoperability of Services**	**4**	**20**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**
2.2.1	Exchange of Company Information	2	10	10.0	10.0	10.0	10.0	10.0	10.0
2.2.2	Unique Business Identification	2	10	10.0	10.0	10.0	10.0	10.0	10.0
2.3	**Transparency of Online Information**	**9**	**40**	**29.0**	**29.0**	**29.0**	**29.0**	**29.0**	**29.0**
2.3.1	Business Start-Up (includes gender and environment)	5	20	14.0	14.0	14.0	14.0	14.0	14.0
2.3.2	Availability of General Company Information	2	10	10.0	10.0	10.0	10.0	10.0	10.0
2.3.3	General and Sex-Disaggregated Statistics on Newly Registered Firms	2	10	5.0	5.0	5.0	5.0	5.0	5.0
	Total	**24**	**100**	**84.0**	**84.0**	**84.0**	**84.0**	**84.0**	**84.0**
Pillar III – Operational Efficiency of Business Entry									
3.1	**Domestic Firms**	**2**	**100**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**
3.1.1	Total Time to Register a New Domestic Firm	1	50	49.5	49.5	49.5	49.5	49.5	49.5
3.1.2	Total Cost to Register a New Domestic Firm	1	50	50.0	50.0	50.0	50.0	50.0	50.0
	Total	**2**	**100**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**	**99.5**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Business Location

Building Permitting[12]

Building regulations in Bulgaria include clear provisions regarding safety standards; for example, a regulation addresses construction materials that pose health risks. Certified engineers or architects, from either public agencies or private entities, are assigned responsibility by law for ensuring building plans comply with existing building regulations. Legislation mandates risk-based or phased structural safety inspections as well as a final inspection. Liability for structural flaws is defined by law. Professionals in charge of supervising construction must have a university degree (architect or engineer), the specified years of practical experience, and registration with the relevant professional association; passing a certification exam is not required. Additionally, decisions on building permits can be disputed with the issuing authority.

Bulgaria´s energy code standards meet international best practices, with minimum energy efficiency performance standards mandated by law. Proof of compliance with these standards is required when applying for a building permit. Incentives are in place to promote green building standards.

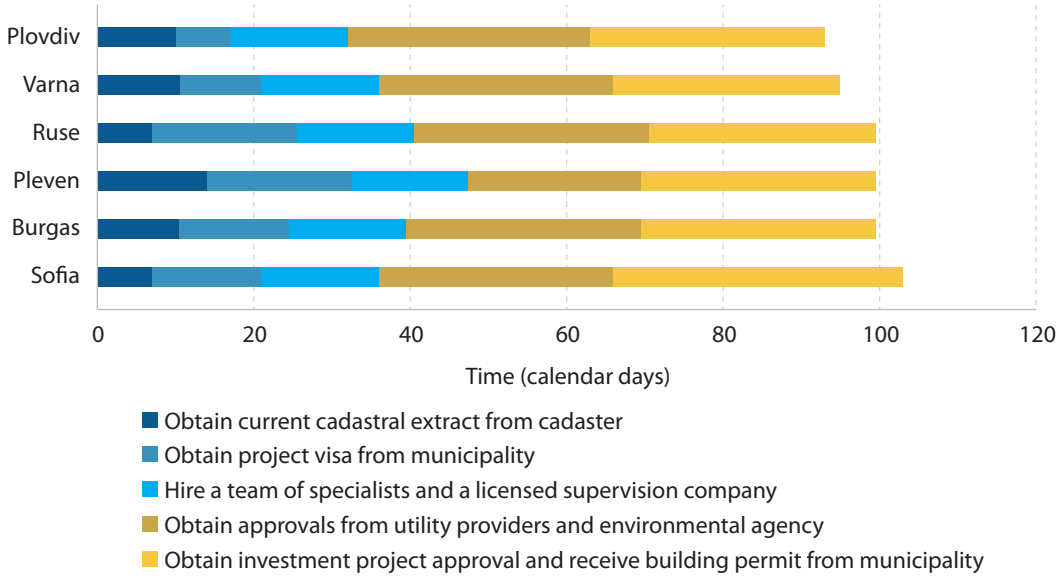
Land use and zoning regulations in Bulgaria include requirements for trunk infrastructure services such as water, electricity, and sanitation. Maps identifying areas allocated for uses such as residential, commercial, agricultural, and public/institutional purposes are available. Hazard maps outline zones in which building is prohibited due to natural hazards or resource considerations.

Currently, no online system exists for building permitting or for filing disputes on building permits, which results in a low overall score on digital public services and transparency of information across Bulgarian cities. Sofia is the only city that makes spatial plans and zoning requirements in the form of a Geographic Information System (GIS) or other spatial data platforms available to all stakeholders. Sofia is thus the only city that scores well in the category of interoperability of services specifically related to building permits.

The time needed to obtain a building permit varies slightly across the six Bulgarian cities, ranging from 92 days in Plovdiv to 103 days in Sofia (figure 12). Municipal permits drive differences in waiting times across cities. Obtaining project approvals from utility providers and getting building permits take the most time. The cost of obtaining building-related permits varies between 32 percent of income per capita[13] in Pleven (BGN 6,017) to 141 percent in Sofia (BGN 26,065) (figure 13(a)). On average, the building permit fee accounts for over two-thirds of the total cost to obtain building-related permits (figure 13(b)).

12 See section 3.1, "Building Location in Detail—Building Permitting," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
13 Bulgaria's 2021 GNI per capita is BGN 18,523.

Figure 12. Time to Obtain Building Permits, by City and Stage

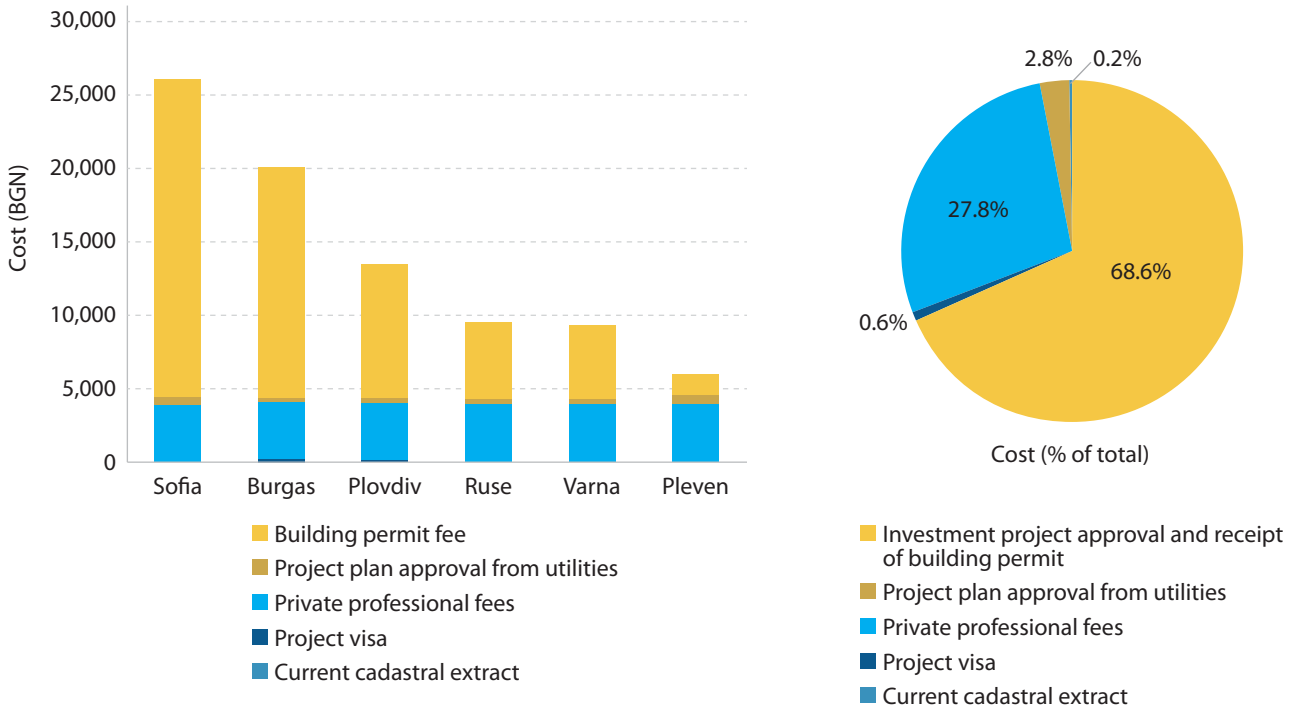


Source: Subnational Business Ready

Figure 13. Cost of Obtaining a Building Permit, by City and Phase

a. Cost of obtaining a building permit, by city and phase

b. Average cost as percentage of total



Source: Subnational Business Ready
Note: BGN = Bulgarian lev

Environmental Permitting[14]

Environmental permitting regulations, transparency of information, and availability of digital public services are consistent across the six benchmarked cities in Bulgaria. National environmental regulations, enforced during construction activities, are regularly updated to incorporate recent environmental and technological advances in the construction sector. Penalties or fines are imposed for noncompliance with the regulations, and environmental risks are clearly defined within the legal framework.

The use of qualified professionals or agencies to conduct environmental impact assessments (EIAs) is mandated by law, along with specific criteria to trigger an EIA. However, the legal framework does not define activities and approaches (such as surveys and polls to capture inputs and feedback from concerned stakeholders, training, resources, and technical assistance to project-affected parties) that facilitate contributions to the decision-making process by interested parties. While the regulatory framework allows for disputing environmental clearances and permits with the permit-issuing authority, no out-of-court resolution mechanisms address environmental disputes.

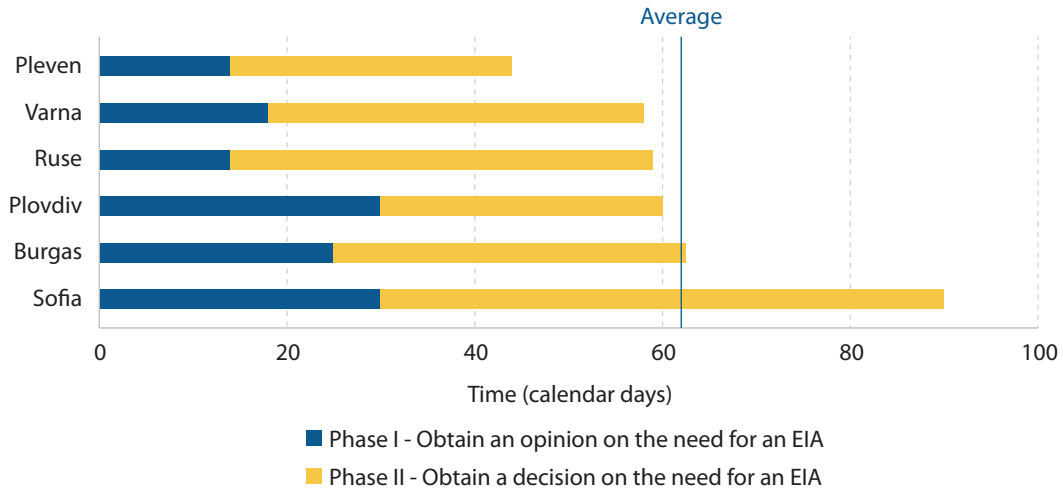
Information regarding environmental permitting is transparent, including requirements for obtaining environmental licensing for construction projects and an up-to-date fee schedule for obtaining clearances electronically. But Bulgaria lacks a comprehensive online system for environmental permitting with several functionalities and an online system for filing disputes. The country is currently in transition toward online submissions for EIAs, but entrepreneurs in Bulgaria still submit documentation required for the EIA needs assessment on paper or by email.

Entrepreneurs pay a national fixed fee to assess the need to carry out an EIA, but subnational variations remain in the time needed to complete the steps for EIA clearance. Entrepreneurs spend twice as long in Sofia (90 days) to obtain an EIA clearance as in Pleven (44 days) (figure 14).

Property Transfer[15]

Since the last subnational assessment conducted in Bulgaria in 2017, the focus of land administration and property registration improvements has been on dig-

Figure 14. Obtaining an EIA, by City



Source: Subnational Business Ready
Note: EIA = environmental impact assessment

14 See section 3.2, "Building Location in Detail—Environmental Permitting," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
15 See section 3.3, "Building Location in Detail—Property Transfer," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.

italization. Both the Registry Agency and the Cadastral Administrative Information System (KAIS) now offer users the possibility to log into their respective online portals and request electronic administrative services or to interrogate their databases. Citizens in possession of an electronic signature can now obtain non-encumbrance certificates electronically. Similarly, notaries no longer need to obtain a tax clearance certificate from the National Revenue Agency and can obtain parties' certificates of good standing from the Commercial Register online and free of charge. These improvements have streamlined the property transfer process in Bulgaria, and the Ministry of Finance shortened the legal deadline for municipalities to issue tax assessment certificates from 14 days to 5 days. The cost for transferring a property has increased in most of the assessed cities, however.

The regulatory framework[16] for property transfer applies uniformly across the country and performs on par with good international practices in terms of property transfer standards. The law mandates verifying the legality of property transaction documents, confirming identities of involved parties, and completing property registration at the Land Registry,[17] although electronic and paper documents do not hold equal legal standing in transactions. Domestic and foreign firms face no restrictions on leasing or owning property except for agricultural land ownership. The law also provides for alternative dispute resolution (ADR) mechanisms between private parties regarding registered property rights through mediation and conciliation. Arbitration does not exist, however, and the land administration system also lacks legal provisions for the security of rights, as registered property rights are not subject to a guarantee and no out-of-court compensation mechanism for land registry errors currently exists.

All six assessed cities in Bulgaria share similar features regarding the quality of public services for property transfer and the related transparency of information. Some digital public services for property transfers are accessible, such as the electronic platforms for due diligence and encumbrance checks, and the online complaint mechanism at the Cadaster. No online complaint mechanism is available at the Land Registry, however, nor is there an electronic platform to register property. A GIS is in place and the Land Registry and Cadaster use a Unique Identifier for properties, but the databases of these institutions are separate and not linked.

Service standards and fee schedules are available online at the Land Registry and Cadaster websites, along with the statistics on the number and types of property-related transactions. The websites of these institutions have not published the list of requirements for property transfers, however, nor have statistics been published on land disputes, time needed to resolve them, and sex-disaggregated data on property ownership.

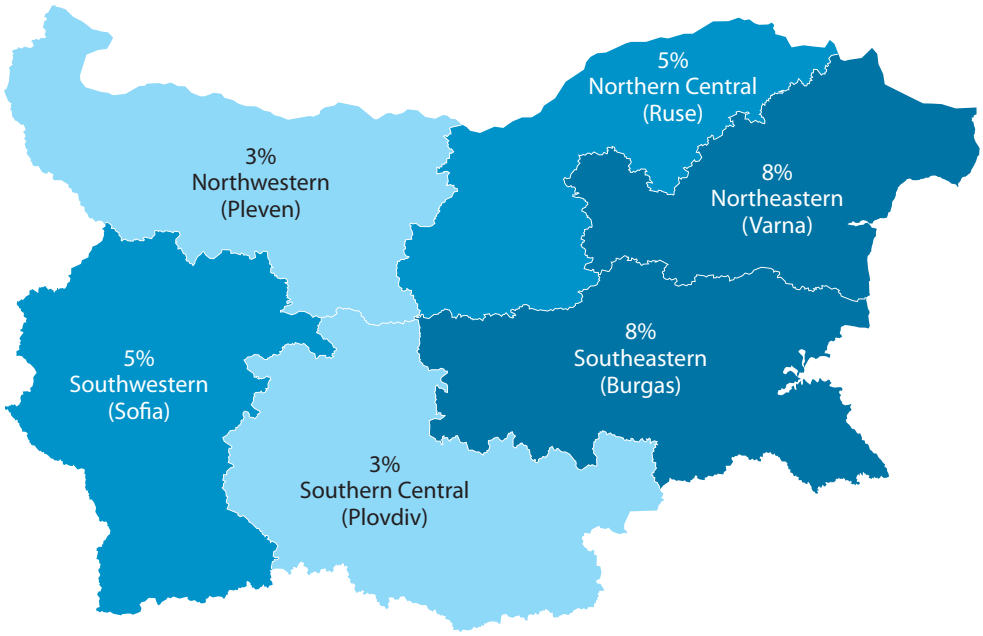
Data from World Bank Enterprise Surveys indicate that the share of firms reporting access to land as an obstacle is highest in the Southeastern region (including Burgas), with 8 percent, and lowest in the Northwestern and Southern Central regions (including Pleven and Plovdiv, respectively), with 3 percent (map 2). Across the country, an average of 5 percent of Bulgarian firms reported access to land as a constraint, the lowest percentage among the six countries benchmarked in the EU.

The time to transfer a property varies from 9 days in Burgas and Sofia to 11 days in Pleven and Varna (figure 15). Costs to register a property transfer vary from 2.5 percent of the property value (BGN 45,575) in Ruse to 3.3 percent of property value (BGN 60,407) in Sofia.[18] The bulk of the property transfer cost consists of the property transfer tax, which accounts for 89 percent of the total cost in Ruse and 92 percent of the total cost in Varna. The transfer tax varies by municipality, ranging from 2.2 percent of the property value in Ruse to 3 percent in Burgas, Plovdiv, Sofia, and Varna.

Table 3 provides a detailed overview––by pillar, category, and subcategory––of the Bulgarian cities' performance on the Business Location topic. The topic includes three subtopics: Property Transfer, Building Permits, and Environmental Permits, detailed below. The column with the re-scaled points indicates the total maximum points a city can get on each of the measured areas. For example, under Pillar I (Quality of Regulations for Business Location), category 1.1 (Property Transfer and Land Administration), subcategory 1.1.2 (Land Dispute Mechanism), none of the cities receive the total possible maximum of 15 points. Conversely, on subcategory 1.1.3 (Land Administration System), all cities receive the maximum points––10 out of 10. Most cross-city variability is observed under Pillar III.

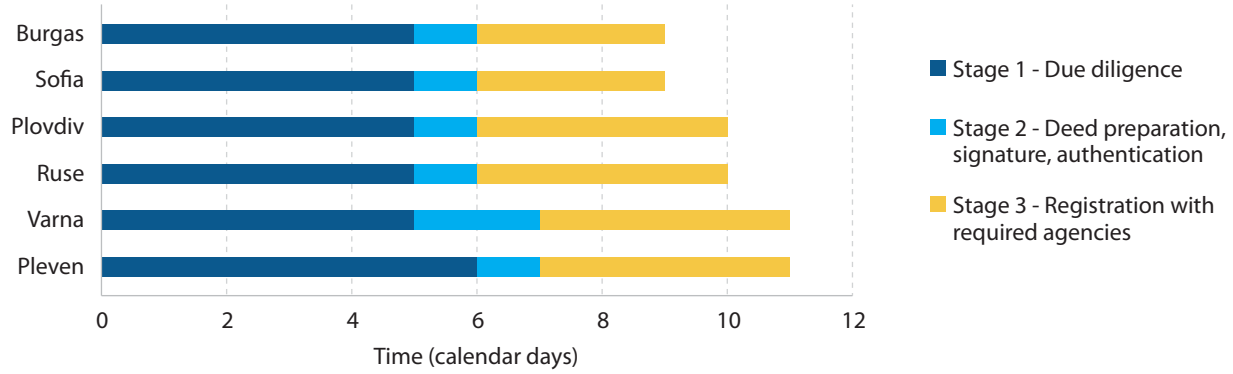
16 Regulatory Framework includes Law on Cadaster and Property Register, Law on Notaries and Notarial Practice, Law on Obligations and Contracts.
17 The Land Registry is an official public inventory that documents and maintains information on land ownership through recording titles (rights on land) or deeds (documents concerning changes in the legal situation of land).
18 For a property value of BGN 1,852,256, equal to 100 times the 2021 GNI per capita. Bulgaria's 2021 GNI per capita is BGN 18,523.

Map 2. Share of Firms Reporting Access to Land as an Obstacle, by Region



Source: World Bank Enterprise Surveys 2023

Figure 15. Time to Register a Property Transfer, by City



Source: Subnational Business Ready

Table 3. Business Location Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar I – Quality of Regulations for Business Location									
1.1	**Property Transfer and Land Administration**	**11**	**40**	**27.3**	**27.3**	**27.3**	**27.3**	**27.3**	**27.3**
1.1.1	Property Transfer Standards	4	15	13.5	13.5	13.5	13.5	13.5	13.5
1.1.2	Land Dispute Mechanism	4	15	3.8	3.8	3.8	3.8	3.8	3.8
1.1.3	Land Administration System	3	10	10.0	10.0	10.0	10.0	10.0	10.0
1.2	**Building, Zoning and Land Use**	**20**	**40**	**39.6**	**39.6**	**39.6**	**39.6**	**39.6**	**39.6**
1.2.1	Building Standards	11	15	14.6	14.6	14.6	14.6	14.6	14.6
1.2.2	Building Energy Standards	4	15	15.0	15.0	15.0	15.0	15.0	15.0
1.2.3	Zoning and Land Use Regulations	5	10	10.0	10.0	10.0	10.0	10.0	10.0
1.3	**Restrictions on Owning and Leasing Property**	**19**	**10**	**9.5**	**9.5**	**9.5**	**9.5**	**9.5**	**9.5**
1.3.1	Domestic firms—Ownership	4	2.5	2.5	2.5	2.5	2.5	2.5	2.5
1.3.2	Domestic firms—Leasehold	5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
1.3.3	Foreign firms—Ownership	5	2.5	2.0	2.0	2.0	2.0	2.0	2.0
1.3.4	Foreign firms—Leasehold	5	2.5	2.5	2.5	2.5	2.5	2.5	2.5
1.4	**Environmental Permits**	**12**	**10**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**	**7.3**
1.4.1	Environmental Permits for Construction	10	5	4.8	4.8	4.8	4.8	4.8	4.8
1.4.2	Dispute Mechanisms for Construction-Related Environmental Permits	2	5	2.5	2.5	2.5	2.5	2.5	2.5
	Total	**62**	**100**	**83.6**	**83.6**	**83.6**	**83.6**	**83.6**	**83.6**
Pillar II – Quality of Public Services and Transparency of Information for Business Location									
2.1	**Availability and Reliability of Digital Services**	**21**	**40**	**15.1**	**15.1**	**15.1**	**15.1**	**15.1**	**15.1**
2.1.1	Property Transfer—Digital Public Services	6	8	2.7	2.7	2.7	2.7	2.7	2.7
2.1.2	Property Transfer—Digital Land Management and Identification System	5	8	6.4	6.4	6.4	6.4	6.4	6.4
2.1.3	Property Transfer—Coverage of the Land Registry and Mapping Agency	4	8	6.0	6.0	6.0	6.0	6.0	6.0
2.1.4	Building Permits—Digital Public Services	4	8	0.0	0.0	0.0	0.0	0.0	0.0
2.1.5	Environmental Permits—Digital Public Services	2	8	0.0	0.0	0.0	0.0	0.0	0.0
2.2	**Interoperability of Services**	**6**	**20**	**5.0**	**5.0**	**5.0**	**5.0**	**10.0**	**5.0**
2.2.1	Interoperability of Services for Property Transfer	4	10	5.0	5.0	5.0	5.0	5.0	5.0
2.2.2	Interoperability of Services for Building Permits	2	10	0.0	0.0	0.0	0.0	5.0	0.0
2.3	**Transparency of Information**	**19**	**40**	**28.6**	**28.6**	**28.6**	**28.6**	**28.6**	**28.6**
2.3.1	Immovable Property (includes gender)	9	20	11.1	11.1	11.1	11.1	11.1	11.1
2.3.2	Building, Zoning and Land Use	8	15	12.5	12.5	12.5	12.5	12.5	12.5
2.3.3	Environmental Permits	2	5	5.0	5.0	5.0	5.0	5.0	5.0
	Total	**46**	**100**	**48.7**	**48.7**	**48.7**	**48.7**	**53.7**	**48.7**

Table 3. Business Location Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar III – Operational Efficiency of Establishing a Business Location									
3.1	**Property Transfer and Land Administration**	**3**	**40**	**38.0**	**38.3**	**38.1**	**38.9**	**38.0**	**38.0**
3.1.1	Major Constraints on Access to Land	1	13.3	13.2	13.3	13.3	13.3	13.2	13.2
3.1.2	Time to Obtain a Property Transfer	1	13.3	13.2	13.2	13.2	13.2	13.2	13.2
3.1.3	Cost to Obtain a Property Transfer	1	13.3	11.6	11.7	11.6	12.4	11.6	11.6
3.2	**Construction Permits**	**2**	**40**	**38.4**	**38.4**	**38.6**	**38.4**	**38.0**	**38.6**
3.2.1	Time to Obtain a Building Permit	1	20	18.6	18.6	18.8	18.6	18.4	18.8
3.2.2	Cost to Obtain a Building Permit	1	20	19.8	19.8	19.8	19.8	19.6	19.8
3.3	**Environmental Permits**	**2**	**20**	**19.9**	**20.0**	**19.9**	**20.0**	**19.9**	**20.0**
3.3.1	Time to Obtain an Environmental Permit	1	10	9.9	10.0	9.9	10.0	9.9	10.0
3.3.2	Cost to Obtain an Environmental Permit	1	10	10.0	10.0	10.0	10.0	10.0	10.0
	Total	**7**	**100**	**96.3**	**96.7**	**96.6**	**97.3**	**95.9**	**96.6**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Utility Services

Electricity[19]

Authorities in Bulgaria have implemented recent reforms aimed at streamlining the electricity connection process and enhancing service quality. Notably, the process of obtaining an electricity connection has been simplified by eliminating the requirement that customers sign a preliminary contract with the utility. Additionally, amendments to the Energy from Renewable Sources Act in 2022 simplified the construction process for new energy facilities producing energy from renewable sources. All electricity utilities in Bulgaria have made some progress toward digitalization since 2017, introducing online application platforms for new connections. The degree of functionality of the online application platforms varies by utility, however.

The electricity regulatory framework applies uniformly across all Bulgarian cities.[20] It sets clear guidelines for the efficient deployment of electricity connections and quality of supply. These regulations aim to ensure that electricity connections are made efficiently and that the supply is reliable and of high quality. The framework mandates specific requirements for the technical standards that must be met during the installation and operation of electrical connections, and it includes stringent requirements for professional certifications, inspection regimes, and liability standards, thus maintaining high safety levels.

Environmental regulations mandate sustainable practices in electricity generation, transmission, and distribution. There are legally mandated environmental standards that aim to reduce the ecological impact of electricity infrastructure. The Energy Efficiency Act and the Energy from Renewable Sources Act provide a framework for promoting energy efficiency and the use of renewable energy sources, respectively.

Financial deterrence and incentive mechanisms aimed at limiting electricity supply interruptions, businesses' compliance with energy-saving targets, and nonfinancial incentives to adopt energy efficiency practices are lacking from the regulatory framework, however. Across Bulgarian cities, significant differences exist in the quality of public services. The quality of governance and transparency of electricity services ensures the monitoring of electricity supply reliability and quality through key performance indicators (KPIs). Online availability of these KPIs is inconsistent across cities. Burgas and Plovdiv lead in transparency by providing electronic applications where entrepreneurs can complete all connection steps. Other cities lag in this area, requiring in-person visits to utility offices for parts of the application process.

19 See section 4.1, "Utility Services in Detail—Electricity," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
20 The Energy Act and Ordinance No. 6 of February 24, 2014, stipulate the process of getting a new electrical connection, including the connection of electricity producers and customers in the transmission and distribution networks. The Energy Efficiency Act and the Energy from Renewable Sources Act regulate state policy and the implementation of measures aimed at improving energy efficiency across energy production, transmission, distribution, and consumption, as well as promoting environmental sustainability in energy use. The Spatial Development Act defines regulations and processes for territorial planning, investment planning, construction activities, and infrastructure deployment.

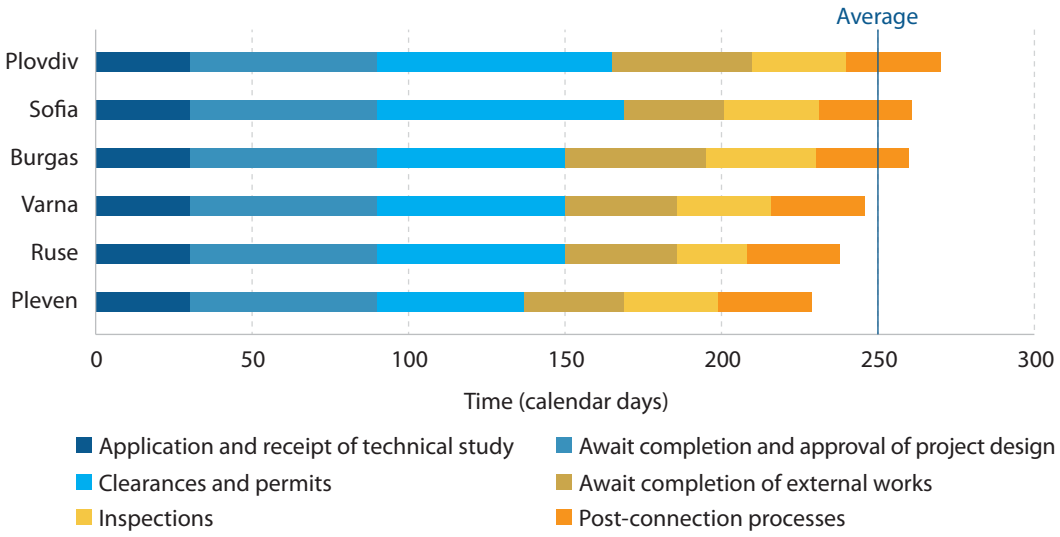
Although complaint mechanisms and connection requirements are published online, gaps remain in the transparency of planned outages and environmental sustainability metrics. A shared database for network lines of various utilities and an online system for coordinating excavation permit approvals across agencies are also lacking.

The efficiency of the electricity connection process in Bulgaria varies significantly across cities, affecting the overall time and cost required to obtain a new connection. The regulatory framework standardizes the process nationally, but local administrative practices lead to differences in implementation.

Obtaining a new electricity connection takes from 229 days in Pleven to 270 days in Plovdiv (figure 16). The average time to obtain a new connection across the country is 251 days. The variations in time are primarily due to the issuance of local clearances and construction permits. For instance, the time associated with obtaining clearances from other utility providers and construction permits ranges from 47 days in Pleven to 79 days in Sofia. The cost of obtaining a new electricity connection also varies from 62.2 percent of income per capita (BGN 11,516) in Burgas and Plovdiv to 66.8 percent of income per capita (BGN 12,378) in Sofia.[21]

In terms of the reliability of electricity supply, Burgas and Plovdiv report the least frequent interruptions, averaging 2.6 per year, each lasting on average 2.6 hours.[22] In contrast, Ruse and Varna experience about 4 interruptions annually, each lasting nearly 6.5 hours. According to World Bank Enterprise Surveys data, countrywide, only 10 percent of Bulgarian firms own or share a generator. Twenty-four percent of firms own or share generators in the Northwestern region (including Pleven), while only 4 percent do so in the Southeastern region (including Burgas) (map 3). Notably, Bulgarian firms report no losses in annual sales due to electrical outages, indicating resilient business operations despite any supply issues.

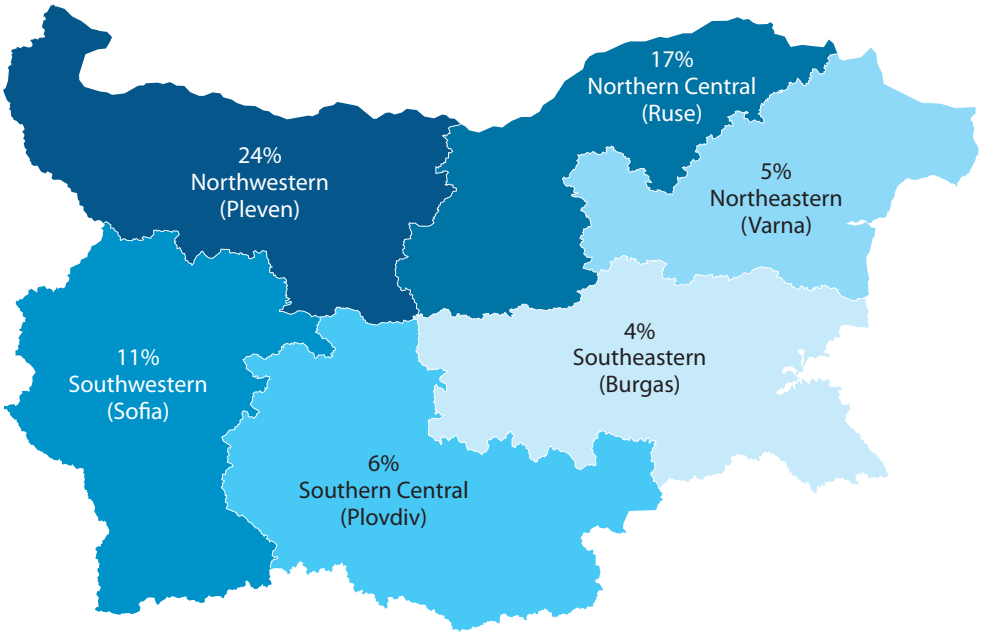
Figure 16. Time to Obtain a New Electricity Connection, by City and Stage



Source: Subnational Business Ready
Note: The vertical line indicates the average total time to obtain a new electricity connection.

21 Bulgaria's 2021 GNI per capita is BGN 18,523.
22 The numbers are based on SAIDI (System Average Interruption Duration Index) and SAIFI (System Average Interruption Frequency Index) obtained from each electricity utility in Bulgaria.

Map 3. Share of Firms Owning or Sharing a Generator, by Region



Source: World Bank Enterprise Surveys 2023

Water[23]

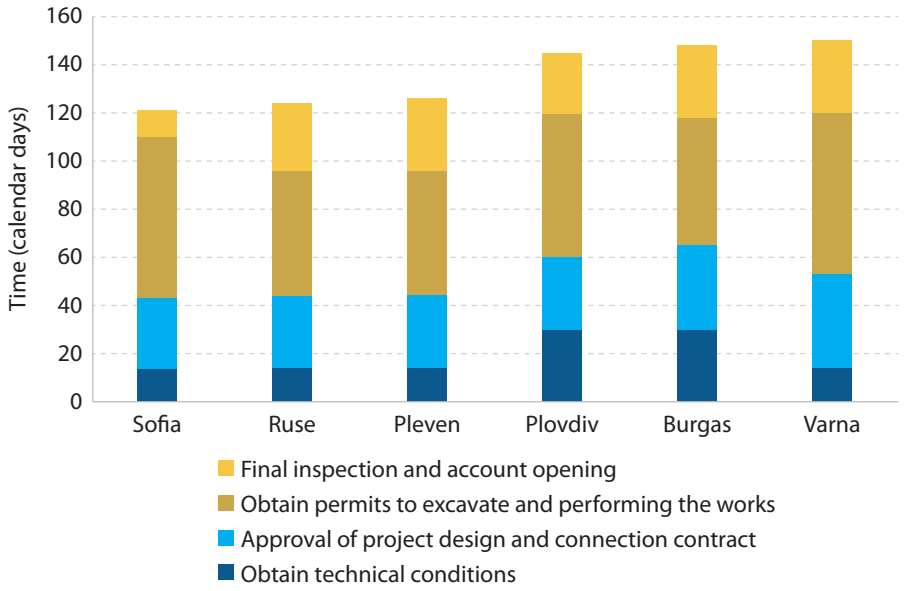
Bulgaria's regulatory framework mandates clear guidelines for infrastructure sharing and joint planning, such as "dig once" policies, to optimize resource use and minimize disruptions. It includes stringent safety regulations, requiring professional certifications for installers and mandated inspections for internal and external installations, supported by regulated liability regimes to ensure accountability. The framework enforces standards for water provision and use, sustainable wastewater practices, and the reuse of wastewater, although there is room for improvement in incentivizing businesses to adopt these practices. Currently, businesses are offered no specific financial or nonfinancial incentives to adhere to water-saving targets or to install water-efficient appliances. The Energy and Water Regulatory Commission (EWRC) oversees monitoring of tariffs and service quality, ensuring compliance and reliability through financial deterrence mechanisms that encourage an uninterrupted water supply.

The quality of governance and transparency of water services features slight variation across Bulgarian cities. KPIs monitor quality, reliability, and environmental sustainability across the country, and all Bulgarian cities adhere to internationally recognized good practices in terms of the availability of information and transparency of water utility services. Digital services and interoperability across utilities vary by city, however. The utilities in Sofia and Varna possess online databases allowing the identification of existing water networks, while the rest of the cities do not. Transparency is enhanced through the publication of planned outages, tariffs, and connection requirements online, providing clear guidance and fostering accountability. Complaint mechanisms are well-established, both within water service providers and independently, with detailed online information guiding customers through the complaint process. Additionally, the interoperability of digital services across utilities is strong, particularly in Sofia and Varna, where GIS-based databases for existing water networks are implemented.

The efficiency of the water connection process in Bulgaria varies significantly across cities, affecting both the time required to secure a connection and the reliability of the water supply. Obtaining a water connection takes between 121 days in Sofia and 150 days in Varna (figure 17). This

23 See section 4.2, "Utility Services in Detail—Water," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.

Figure 17. Time to Obtain a Water Connection, by City and Stage



Source: Subnational Business Ready

disparity is largely due to the speed at which municipalities issue excavation permits and approve project designs. In Ruse and Pleven, these steps are completed in 52 days, while in Sofia and Varna they take over two months. The cost of obtaining a water connection also varies, from 13.6 percent of income per capita (BGN 2,512) in Sofia[24] to 42.3 percent of income per capita (BGN 7,836) in Pleven.[25] The variation in cost is mainly driven by the cost of connection works. In the capital city, companies rely on Sofia Water to perform the connection works, while in the rest of the cities clients typically hire a contractor to complete connection works, resulting in higher costs.

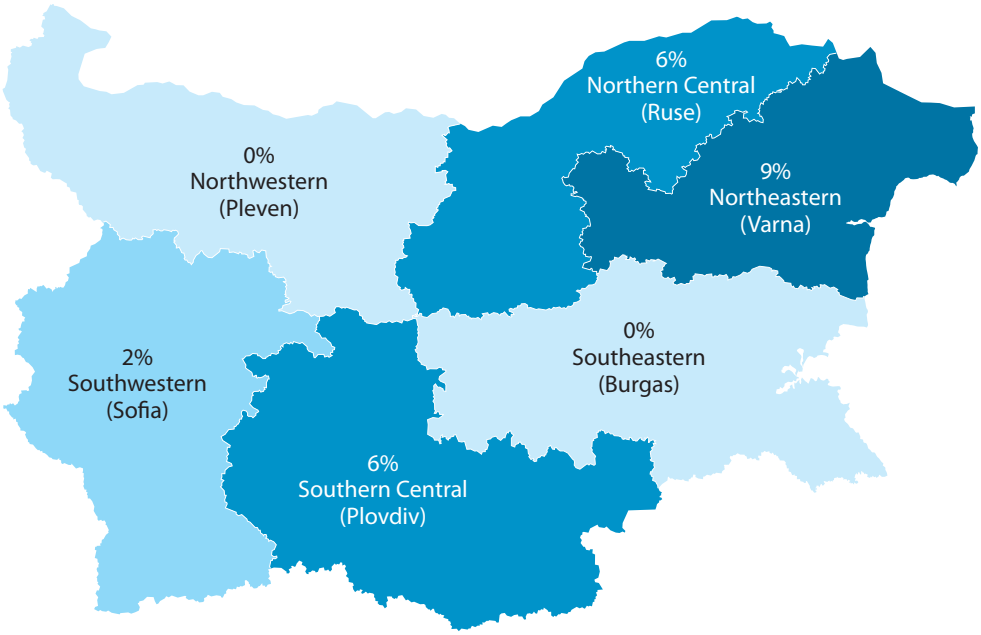
The reliability of the water supply across the country is generally high. According to data from World Bank Enterprise Surveys, no firms report water insufficiencies in the Northwestern and Southeastern regions (including Pleven and Burgas, respectively) (map 4). On the other hand, nearly 1 out of 10 firms report water insufficiencies in the Northeastern region (including Varna). These regional disparities highlight the need for improved infrastructure and competition among water utilities.

Internet[26]

Bulgaria maintains consistent standards for internet regulations across all regions. Bulgaria's regulatory framework includes comprehensive guidelines for the efficient deployment of internet connections and quality of supply.[27] The Communications Regulatory Commission (CRC) plays a pivotal role in ensuring the efficient deployment and high quality of internet services through rigorous regulatory monitoring. The CRC oversees wholesale connectivity tariffs and can investigate anticompetitive practices to ensure fair pricing and competition, establishing and monitoring adherence to performance standards for reliable, high-quality internet service. This includes joint planning and "dig once" policies to streamline infrastructure development.

24 The cost of water connection in Sofia is covered by the utility, Sofiyska voda (Sofia Water).
25 Bulgaria's 2021 GNI per capita is BGN 18,523.
26 See section 4.3, "Utility Services in Detail—Internet," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
27 The Electronic Communications Act regulates the electronic communications sector governing the operation of electronic communications networks and services and ensuring that these services are provided in a competitive, transparent, and nondiscriminatory manner. The Electronic Communications Networks and Physical Infrastructure Act facilitates the development and expansion of electronic communications networks, particularly broadband infrastructure. It aims to streamline the processes for deploying telecommunications networks by enabling easier access to existing physical infrastructure and reducing regulatory barriers.

Map 4. Share of Firms Reporting Insufficiencies in Their Water Supply, by Region



Source: World Bank Enterprise Surveys 2023

The regulatory framework mandates that operators share access to passive or active infrastructure, guarantees equal access to government-owned infrastructure, and establishes rights of way for digital service providers. It also includes stringent safety and environmental regulations, mandating liability and compensation for data protection breaches and setting environmental standards like greenhouse gas emissions reporting and adherence with the ISO 50001[28] standard. The State e-Government Agency (SEGA) coordinates national cybersecurity, conducting risk assessments and training. Financial deterrence mechanisms, such as penalties for service outages and customer compensation, ensure ISPs maintain high standards.

Bulgaria's quality of governance and transparency in internet services feature strong digital services and interoperability, with many internet providers offering electronic applications and online tracking for new internet connections. Municipal governments play a key role in coordinating excavation permits, although an online system for coordinating approvals across utilities is lacking. Transparency is maintained through the publication of planned outages and the availability of complaint mechanisms, both within ISPs and independently. Comprehensive online information guides customers through the complaint process, enhancing accountability. KPIs for service quality, such as download/upload speeds and latency, are published online. Room for improvement remains in tariff transparency, however, as the formulas for determining tariff levels are not disclosed. Cybersecurity protocols are robust, with regular audits, incident response drills, and clear provisions for reporting data breaches. Despite these strengths, the need remains for sex-disaggregated customer surveys to better understand service quality from the perspective of women entrepreneurs.

The efficiency of internet provision in Bulgaria varies across regions, impacting the time required to secure a new connection and the reliability of the service. Time to obtain an internet connection slightly varies from three days in Plovdiv, Ruse, Sofia, and Varna to five days in Burgas and Pleven. Private sector respondents attribute longer connection times in certain areas to lower levels of competition among service providers. Despite the minor variation in time, most Bulgarian cities outperform other benchmarked EU countries in terms of speed of getting a

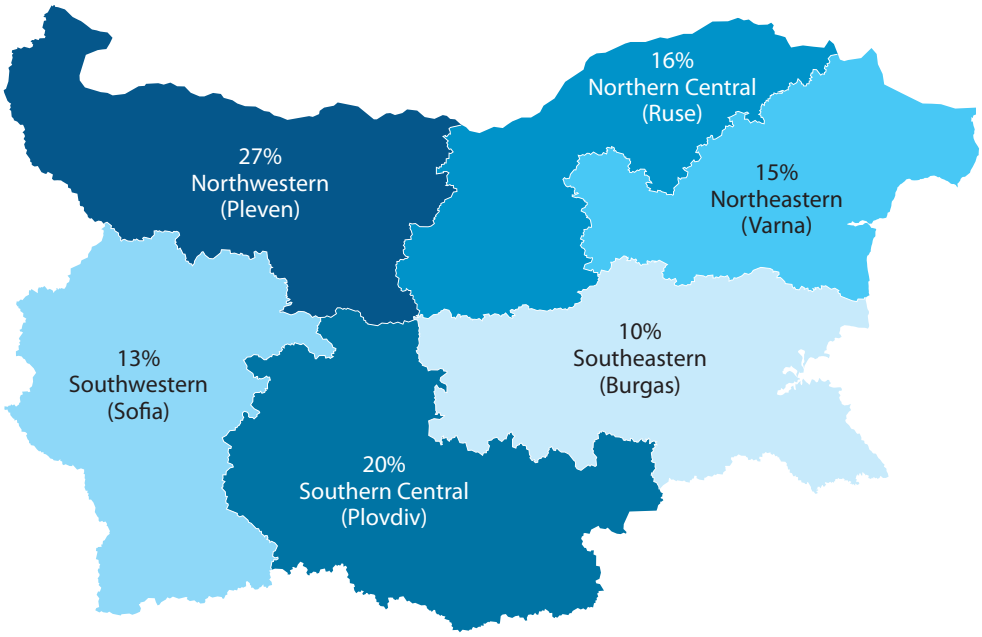
28 The ISO 50001 is an energy management standard developed by the International Organization for Standardization (ISO). Designed to support organizations in all sectors, this ISO standard provides a practical way to improve energy use through the development of an energy management system (EnMS). ISO brings global experts together to agree on the best way of doing things—anything from making a product to managing a process. More information can be found at https://www.iso.org/iso-50001-energy-management.html

new connection. The process of getting an internet connection typically involves contacting the service providers' 24/7 customer service office or submitting an online application, followed by verification of coverage and contract preparation. Physical installation usually takes less than a day if the building is already wired for internet. Installation fees are typically waived under loyalty plans, although potential users with no loyalty plans incur a nominal fee.

Countrywide, 15 percent of firms report disruptions, with internet service reliability as reported by Bulgarian firms varying by region. Ten percent of firms in the Southeastern region (including Burgas) report internet service disruptions, whereas 27 percent of firms in the Northwestern region (including Pleven) do so (map 5).

Table 4 provides a detailed overview—by pillar, category, and subcategory—of the Bulgarian cities' performance on the Utility Services topic. The topic includes three subtopics: Electricity, Water, and Internet, which are detailed below. The column with the re-scaled points indicates the total maximum points a city can get on each of the measured areas. For example, under Pillar I (Quality of Regulations on Utility Services), category 1.1 (Electricity), subcategory 1.1.2 (Utility Infrastructure Sharing and Quality Assurance Mechanisms), none of the six cities receive the total possible maximum of 8.3 points. Conversely, all cities receive the maximum number of points (8.3) on two other subcategories: 1.1.1 (Regulatory Monitoring of Tariffs and Service Quality), and 1.1.3 (Safety of Utility Connections). Most cross-city variability is observed under Pillar III.

Map 5. Share of Firms Experiencing Internet Service Disruptions, by Region



Source: World Bank Enterprise Surveys 2023

Table 4. Utility Services Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar I – Quality of Regulations on Utility Services									
1.1	**Electricity**	**10**	**33.3**	**26.0**	**26.0**	**26.0**	**26.0**	**26.0**	**26.0**
1.1.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.1.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	8.3	4.2	4.2	4.2	4.2	4.2	4.2
1.1.3	Safety of Utility Connections	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.1.4	Environmental Sustainability	3	8.3	5.2	5.2	5.2	5.2	5.2	5.2
1.2	**Water**	**12**	**33.3**	**29.2**	**29.2**	**29.2**	**29.2**	**29.2**	**29.2**
1.2.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.2.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.2.3	Safety of Utility Connections	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.2.4	Environmental Sustainability	5	8.3	4.2	4.2	4.2	4.2	4.2	4.2
1.3	**Internet**	**11**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**	**33.3**
1.3.1	Regulatory Monitoring of Tariffs and Service Quality	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.3.2	Utility Infrastructure Sharing and Quality Assurance Mechanisms	4	13.3	13.3	13.3	13.3	13.3	13.3	13.3
1.3.3	Safety of Utility Connections	3	8.3	8.3	8.3	8.3	8.3	8.3	8.3
1.3.4	Environmental Sustainability	2	3.3	3.3	3.3	3.3	3.3	3.3	3.3
	Total	**33**	**100**	**88.5**	**88.5**	**88.5**	**88.5**	**88.5**	**88.5**
Pillar II – Quality of the Governance and Transparency of Utility Services									
2.1	**Electricity**	**15**	**33.3**	**25.3**	**24.2**	**25.3**	**24.2**	**24.2**	**24.2**
2.1.1	Digital Services and Interoperability	4	8.3	6.3	5.2	6.3	5.2	5.2	5.2
2.1.2	Availability of Information and Transparency	6	8.3	5.7	5.7	5.7	5.7	5.7	5.7
2.1.3	Monitoring of Service Supply (includes gender and environment)	3	8.3	5.0	5.0	5.0	5.0	5.0	5.0
2.1.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
2.2	**Water**	**15**	**33.3**	**25.5**	**25.5**	**25.5**	**25.5**	**26.5**	**26.5**
2.2.1	Digital Services and Interoperability	4	8.3	4.2	4.2	4.2	4.2	5.2	5.2
2.2.2	Availability of Information and Transparency	6	8.3	8.0	8.0	8.0	8.0	8.0	8.0
2.2.3	Monitoring of Service Supply (includes gender and environment)	3	8.3	5.0	5.0	5.0	5.0	5.0	5.0
2.2.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
2.3	**Internet**	**13**	**33.3**	**26.5**	**26.5**	**26.5**	**26.5**	**26.5**	**26.5**
2.3.1	Digital Services and Interoperability	4	8.3	7.3	7.3	7.3	7.3	7.3	7.3
2.3.2	Availability of Information and Transparency	5	8.3	6.7	6.7	6.7	6.7	6.7	6.7
2.3.3	Monitoring of Service Supply (includes gender and environment)	2	8.3	4.2	4.2	4.2	4.2	4.2	4.2
2.3.4	Enforcement of Safety Regulations and Consumer Protection Mechanisms	2	8.3	8.3	8.3	8.3	8.3	8.3	8.3
	Total	**43**	**100**	**77.2**	**76.1**	**77.2**	**76.1**	**77.2**	**77.2**

Table 4. Utility Services Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar III – Operational Efficiency of Utility Service Provision									
3.1	**Electricity**	**5**	**33.3**	**22.0**	**23.7**	**21.2**	**23.3**	**21.7**	**23.0**
3.1.1	Time to obtain a connection	1	16.7	5.5	8.3	4.7	7.5	5.5	6.8
3.1.2	Reliability of supply	4	16.7	16.5	15.4	16.5	15.8	16.2	16.1
3.2	**Water**	**2**	**33.3**	**16.8**	**17.5**	**16.3**	**17.2**	**17.7**	**15.5**
3.2.1	Time to obtain a connection	1	16.7	0.2	0.8	0.2	1.0	1.2	0.2
3.2.2	Reliability of supply	1	16.7	16.7	16.7	16.2	16.2	16.5	15.3
3.3	**Internet**	**2**	**33.3**	**26.7**	**24.0**	**31.2**	**31.5**	**31.8**	**31.7**
3.3.1	Time to obtain a connection	1	16.7	10.2	10.2	15.3	15.3	15.3	15.3
3.3.2	Reliability of supply	1	16.7	16.5	13.8	15.8	16.2	16.5	16.3
	Total	**9**	**100**	**65.5**	**65.2**	**68.7**	**72.0**	**71.2**	**70.1**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Dispute Resolution[29]

The main variations between Bulgaria's cities occur in implementation of public services and in duration of court litigation in commercial matters. For instance, only three out of six courts, all found in cities with the highest caseloads, have judges specialized in commercial disputes. At the same time, virtual hearings are not common in all courts, with two of the six not conducting them at all. Furthermore, while costs are homogenized and show no variance from city to city, the time required for court litigation varies significantly because the higher caseloads in some cities lead to longer resolution times.

In terms of judicial integrity, judges are required to recuse themselves and to disclose assets publicly, and codes of ethics for judges and enforcement agents are in place. Similarly, procedural certainty is affected by laws defining time standards for filing a statement of defense, suggesting new evidence, and issuing judgments and expert opinions. No time standard, however, applies to serving a complaint on a defendant, and the maximum number of adjournments is not regulated. In terms of alternative dispute resolution mechanisms, Bulgaria has room for improvement; it has no established arbitrability of immovable property disputes nor any special enforcement regime for mediation of settlement agreements.

Public services are available across all cities measured in Bulgaria, with courts equipped with the adequate digital platforms required for their day-to-day processes. Services such as e-filing, e-communication, electronic exchange of documents and online payments of fees are implemented across all cities measured. Only Sofia, Plovdiv, and Varna, however, have specialized commercial divisions in which judges do not preside over other civil or criminal matters. Similarly, differences also arise in use of virtual hearings across courts. Although all the courts have the necessary information technology infrastructure to conduct virtual hearings, only those in Pleven, Plovdiv, Sofia, and Ruse do so consistently. By contrast, courts in Burgas and Varna have yet to conduct virtual hearings.

The greatest disparity among Bulgarian cities is in the total duration of commercial litigation proceedings, from the court of first instance through appeals. Ruse and Pleven resolve cases in 10 months, while the court in Sofia requires more than 2 years. Major delays begin in the first instance court in Sofia, taking more than 15 months to resolve a dispute, compared to 6 months before the courts of Ruse and Pleven. Delays are also found when required to file and serve initial complaints, which take 50 days in Sofia but only 30 days in Ruse and 23 days in Pleven. Additionally, the time elapsed until the first hearing in Sofia is 75 days, while in Ruse it only takes 30 days. These figures reflect the caseload patterns of these courts. Judges handle around 11 cases per month in Plovdiv and 18 cases per month in Sofia. At the same time, judges in Pleven and Ruse hear, on average, 9 and 8.5 cases per month, respectively. Given that Sofia's first instance court handles around 38 percent of all commercial cases in the country, these higher caseloads are understandable.

The duration of enforcement across Bulgaria's cities mirrors the trend visible in the duration of proceedings, ranging

29 See section 5, "Dispute Resolution in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.

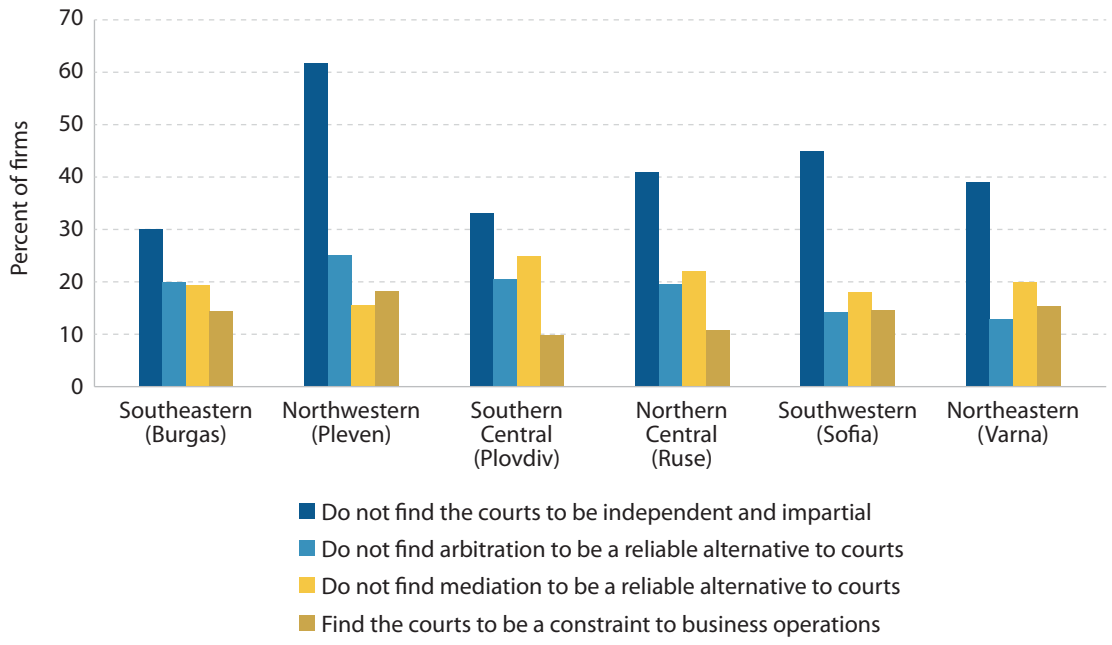
from 20 days in Pleven to 37 days in Sofia. Major delays result primarily during cooperation between enforcement agents with third entities in the enforcement of the decision. Enforcement typically involves the bank releasing the debtor's assets to an enforcement agent, who then transfers the funds to the creditor. The biggest variation lies in the readiness of commercial banks to accept electronic messages on seizure from enforcement agents, as some banks insist on paper-based systems, thus prolonging the enforcement process.

On the other hand, costs for court litigation and enforcement are uniform across all cities and are centrally standardized by the regulatory framework. Court fees amount to 4 percent of the claim value[30] at first instance and 2 percent at appellate level. Attorney fees, regulated by ordinance of the Supreme Bar Council, are set at a minimum of 5.26 percent of the claim value, as most lawyers charge according to the Ordinance. Enforcement costs are also uniform at 2.7 percent of the claim value.

Perceptions of courts and ADR as reported by firms varies across the country. According to data from World Bank Enterprise Surveys, the Northwestern region (including Pleven) has the largest share of firms that do not find courts to be independent and impartial and do not find ADR mechanisms to be reliable (figure 18). Countrywide, 41 percent of Bulgarian firms do not find the courts to be independent and impartial, while only 14 percent of Bulgarian firms find the courts to be a constraint to business operations. On average, firms in Sofia and Varna tend to have the most positive perception of the ADR mechanisms for arbitration and mediation.

Table 5 provides a detailed overview—by pillar, category, and subcategory—of the assessed cities' performance on the dispute resolution topic. The column with the re-scaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the measured cities receive the total possible maximum score of 40 points under Pillar I (Quality of Regulations for Dispute Resolution), category 1.1 (Court Litigation), subcategory 1.1.1 (Procedural Certainty (which includes environmental disputes)). All cities, however, receive a maximum score of 26.7 points under the same pillar and category for the subcategory 1.1.2 (Judicial Integrity (which includes gender equality)).

Figure 18. Perception of Courts and Other Dispute Resolution Processes, by Category and Region



Source: World Bank Enterprise Surveys 2023

30 For a claim value of BGN 370,451, equal to 20 times the 2021 GNI per capita. Bulgaria's 2021 GNI per capita is BGN 18,523.

Table 5. Dispute Resolution Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar I – Quality of Regulations for Dispute Resolution									
1.1	**Court Litigation**	**14**	**66.7**	**53.9**	**53.9**	**53.9**	**53.9**	**53.9**	**53.9**
1.1.1	Procedural Certainty (includes environment)	9	40	27.3	27.3	27.3	27.3	27.3	27.3
1.1.2	Judicial Integrity (includes gender)	5	26.7	26.7	26.7	26.7	26.7	26.7	26.7
1.2	**Alternative Dispute Resolution (ADR)**	**10**	**33.3**	**20.1**	**20.1**	**20.1**	**20.1**	**20.1**	**20.1**
1.2.1	Legal Safeguards in Arbitration	6	16.7	13.9	13.9	13.9	13.9	13.9	13.9
1.2.2	Legal Safeguards in Mediation	4	16.7	6.3	6.3	6.3	6.3	6.3	6.3
	Total	**24**	**100**	**74.1**	**74.1**	**74.1**	**74.1**	**74.1**	**74.1**
Pillar II – Public Services for Dispute Resolution									
2.1	**Court Litigation**	**19**	**66.7**	**38.8**	**41.5**	**47.1**	**41.5**	**47.1**	**44.3**
2.1.1	Organizational Structure of Courts	4	22.2	11.1	11.1	16.7	11.1	16.7	16.7
2.1.2	Digitalization of Court Processes	8	22.2	13.9	16.7	16.7	16.7	16.7	13.9
2.1.3	Transparency of Courts (includes gender)	7	22.2	13.8	13.8	13.8	13.8	13.8	13.8
2.2	**Alternative Dispute Resolution (ADR)**	**9**	**33.3**	**17.5**	**17.5**	**17.5**	**17.5**	**17.5**	**17.5**
2.2.1	Public Services for Arbitration (includes gender)	4	16.7	9.7	9.7	9.7	9.7	9.7	9.7
2.2.2	Public Services for Mediation (includes gender)	5	16.7	7.8	7.8	7.8	7.8	7.8	7.8
	Total	**28**	**100**	**56.3**	**59.0**	**64.6**	**59.0**	**64.6**	**61.8**
Pillar III – Ease of Resolving a Commercial Dispute									
3.1	**Court Litigation**	**8**	**66.7**	**57.0**	**48.2**	**56.3**	**53.7**	**48.9**	**53.0**
3.1.1	Reliability of Courts	2	26.7	20.0	10.3	19.6	15.6	13.3	15.3
3.1.2	Operational Efficiency of Court Processes	6	40	37.0	38.0	36.7	38.1	35.5	37.7
3.2	**Alternative Dispute Resolution (ADR)**	**6**	**33.3**	**26.0**	**25.2**	**23.5**	**25.3**	**28.8**	**28.4**
3.2.1	Reliability of ADR	2	13.3	6.5	6.1	4.0	5.4	9.5	8.7
3.2.2	Operational Efficiency of Arbitration Processes	4	20	19.5	19.1	19.5	19.9	19.4	19.6
	Total	**14**	**100**	**83.1**	**73.4**	**79.8**	**78.9**	**77.7**	**81.4**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

Business Insolvency[31]

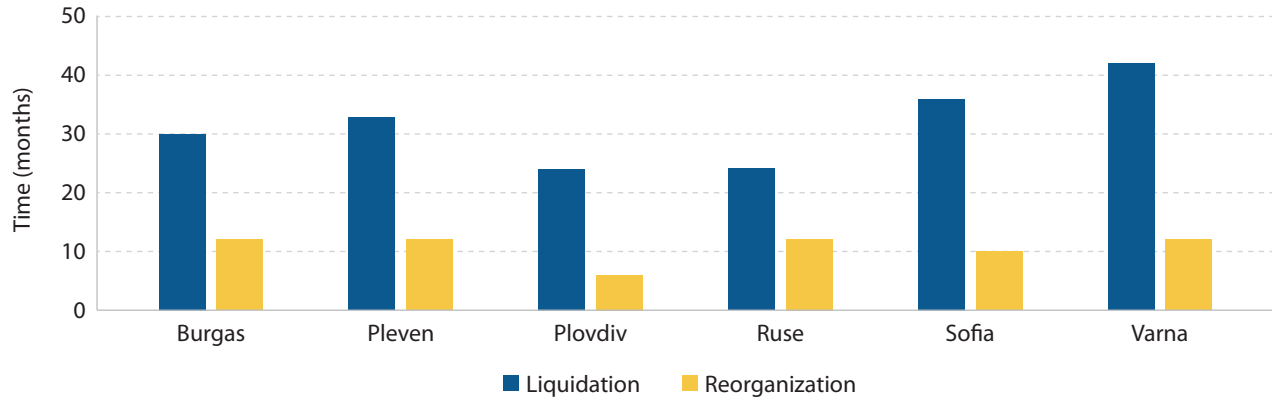
Business insolvency proceedings in Bulgaria are regulated by the Bulgarian Commerce Act (Part IV) and apply uniformly across the country (Pillar I). The Bulgarian legal framework recognizes two types of business insolvency proceedings: (i) pre-insolvency proceedings (stabilization), started in cases of debtor's likely inability to pay debts and involving attempts to reorganize the enterprise; and (ii) insolvency proceedings (rehabilitation and liquidation), started when the debtor is unable to meet payable monetary obligations related to a commercial transaction and involving attempts to rehabilitate the debtor's viability on the market or, if unsuccessful, to liquidate the company.[32] Stabilization is reportedly more often attempted than rehabilitation, although it is also uncommon (less than 10 attempts in the last two years).[33] Similarly, the quality of institutional and operational infrastructure for judicial insolvency proceedings is the same across the country. Although digital services and electronic platforms are available throughout Bulgaria, some differences remain in how these tools actually function across Bulgarian cities. This and other factors drive significant variations on the efficiency of resolving judicial insolvency proceedings.

More specifically, the duration and costs of insolvency proceedings vary significantly across cities. Larger cities with a higher volume of cases in courts, like Varna and Sofia, experience longer timelines for liquidation proceedings (figure 19). Varna's prominent real estate and tourism sectors were heavily affected by the COVID-19 crisis, creating a relatively high volume of cases and resource constraints. The city has one of the highest numbers of insolvency cases and the courts have fewer staff compared to courts in other cities.[34] These factors affect the efficiency of Varna's liquidation proceedings, making them the slowest in the country. The court in Sofia faces major delays due to a high volume of complex cases and limited use of digital platforms; the proceedings can take more than 35 months for a liquidation. By contrast, courts in Plovdiv and Ruse resolve liquidation in 24 months. Reorganization proceedings are typically fewer in number due to strict eligibility requirements under the legal framework that ensure only viable firms attempt these procedures. The length of time needed for reorganization proceedings ranges from 6 months in Plovdiv to 12 months in Burgas, Pleven, Ruse, and Varna.

Despite uniformly regulated national court fees, the cost of liquidation and reorganization proceedings varies across regions. Cities with more capitalized companies, like Ruse and Sofia, have higher costs, with liquidation expenses at 6.5 percent and 6 percent of the insolvent company's market value,[35] respectively, while Burgas, Pleven, and Plovdiv have costs of 4 percent (figure 20). The variation in cost is primarily driven by differing insolvency administrator success fees, which depend on liquidation asset values,

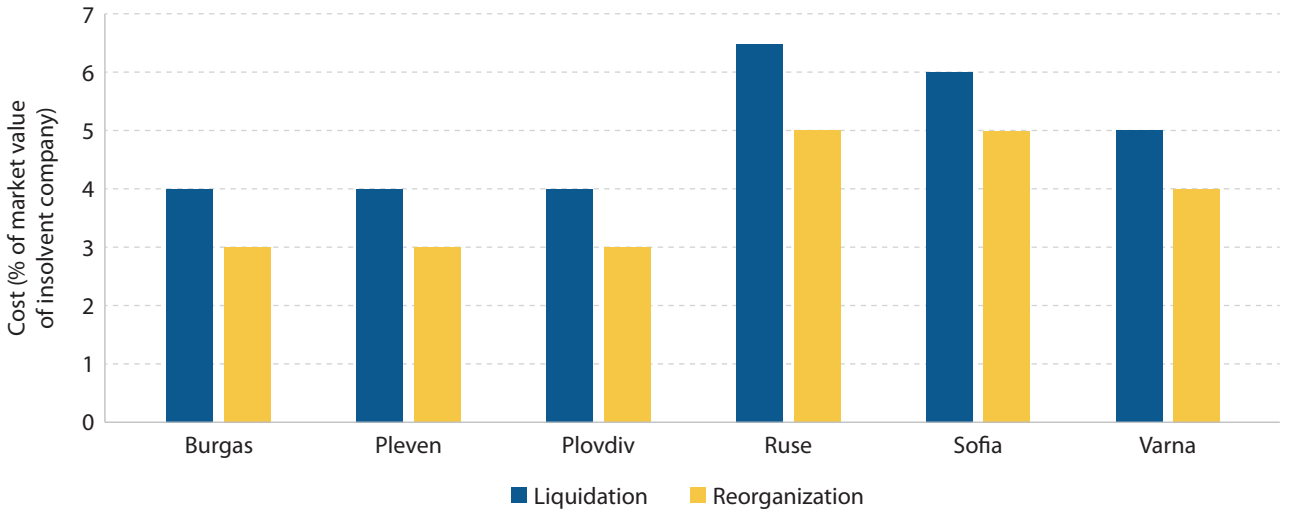
31 See section 6, "Business Insolvency in Detail," of the full report, for more information on the topic, the country-specific context, and a detailed assessment of the data.
32 European Bank for Reconstruction and Development (2022).
33 Statistics are available at https://vss.justice.bg/page/view/1082 [last access: September 11, 2024].
34 All caseload statistics are available at the website of the Ministry of Justice: https://aistn.mjs.bg/statistics-and-reports [last access: September 11, 2024].
35 For an insolvent's company market value of BGN 2,778,384, equal to 150 times the 2021 GNI per capita. Bulgaria's 2021 GNI per capita is BGN 18,523.

Figure 19. Time for Liquidation and Reorganization Proceedings, by City



Source: Subnational Business Ready

Figure 20. Cost of Liquidation and Reorganization Proceedings, by City



Source: Subnational Business Ready

leading to higher fees in cities with high-value assets. A similar pattern is observed in the costs for reorganization proceedings, ranging from 3 percent in Burgas, Pleven, and Plovdiv to 5 percent in Ruse and Sofia. The largest challenge to calculating costs for reorganization proceedings comes from the lack of practical experience in doing so, despite legislative changes in 2023 geared toward stabilizing this process.

As mentioned, the digitization of public services improved significantly following the widespread adoption of advanced technologies in Bulgarian courts, prompted by the COVID-19 pandemic and subsequent government support programs; this effort has helped reduce the possibility of case backlogs across most of the cities measured. The establishment of an electronic justice platform has furthermore increased overall efficiency by enabling electronic filing and communication for all actors involved, with targeted training for judges and insolvency practitioners. Implemented in July 2020, this new electronic system unifies all courts and enables interoperability with governmental authorities. Importantly, it interconnects with the Trade Registry, which oversees publicizing information about insolvent companies. This system offers real-time case updates and includes a digital signature feature. Despite some ongoing difficulties in major cities, such as Sofia, the platform is now widely available. While e-filing, e-communication, and e-case management features have

been successfully implemented, however, the absence of virtual auctions still poses a challenge for full digitalization of the courts. Room for broader homogenization remains as well, as low broadband and lack of connectivity occasionally hamper the functionality of the existing electronic tools.

Table 6 provides a detailed overview—by pillar, category, and subcategory—of the cities' performance on the Business Insolvency topic. The column with the re-scaled points indicates the total maximum points a city can get on each of the measured areas. For example, none of the cities receive the total possible maximum score of 15 points on Pillar I (Quality of Regulations for Judicial Insolvency Proceedings), category 1.1 (Legal and Procedural Standards in Insolvency Proceedings), subcategory 1.1.1 (Pre-Commencement and Commencement Standards in Liquidation and Reorganization). Conversely, all cities receive the maximum score of 10 points under category 1.2 (Debtor's Assets and Creditor's Participation in Insolvency Proceedings), subcategory 1.2.3 (Selection and Dismissal of the Insolvency Administrator). All cross-city variability in scores is observed under Pillar III (Operational Efficiency of Resolving Judicial Insolvency Proceedings).

Table 6. Business Insolvency Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
Pillar I – Quality of Regulations for Judicial Insolvency Proceedings									
1.1	**Legal and Procedural Standards in Insolvency Proceedings**	**10**	**30**	**19.5**	**19.5**	**19.5**	**19.5**	**19.5**	**19.5**
1.1.1	Pre-Commencement and Commencement Standards in Liquidation and Reorganization	5	15	10.5	10.5	10.5	10.5	10.5	10.5
1.1.2	Post-Commencement Standards in Liquidation and Reorganization	5	15	9.0	9.0	9.0	9.0	9.0	9.0
1.2	**Debtor's Assets and Creditor's Participation in Insolvency Proceedings**	**14**	**50**	**36.8**	**36.8**	**36.8**	**36.8**	**36.8**	**36.8**
1.2.1	Treatment and Protection of Debtor's Assets during Liquidation and Reorganization (includes environment)	6	20	9.0	9.0	9.0	9.0	9.0	9.0
1.2.2	Creditor's Rights in Liquidation and Reorganization (includes environment)	5	20	17.8	17.8	17.8	17.8	17.8	17.8
1.2.3	Selection and Dismissal of the Insolvency Administrator	3	10	10.0	10.0	10.0	10.0	10.0	10.0
1.3	**Specialized Insolvency Proceedings and International Insolvency**	**5**	**20**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
1.3.1	Specialized Insolvency Proceedings for Micro and Small Enterprises (MSEs)	3	10	0.0	0.0	0.0	0.0	0.0	0.0
1.3.2	Cross-Border Insolvency	2	10	10.0	10.0	10.0	10.0	10.0	10.0
	Total	**29**	**100**	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**	**66.3**
Pillar II – Quality of Institutional and Operational Infrastructure for Judicial Insolvency Proceedings									
2.1	**Digital Services (e-Courts) in Insolvency Proceedings**	**7**	**40**	**25.0**	**25.0**	**25.0**	**25.0**	**25.0**	**25.0**
2.1.1	Electronic Services in Liquidation and Reorganization	4	20	5.0	5.0	5.0	5.0	5.0	5.0
2.1.2	Electronic Case Management Systems in Liquidation and Reorganization	3	20	20.0	20.0	20.0	20.0	20.0	20.0
2.2	**Interoperability in Insolvency Proceedings**	**2**	**20**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**	**20.0**
2.2.1	Digital Services Connectivity with External Systems in Liquidation and Reorganization	1	10	10.0	10.0	10.0	10.0	10.0	10.0
2.2.2	Interconnection between e-Case Management System and e-Filing Systems in Liquidation and Reorganization	1	10	10.0	10.0	10.0	10.0	10.0	10.0

Table 6. Business Insolvency Scores

		No. of indicators	Re-scaled points	Burgas	Pleven	Plovdiv	Ruse	Sofia	Varna
2.3	**Public Information on Insolvency Proceedings and Registry of Insolvency Practitioners**	**5**	**20**	**13.3**	**13.3**	**13.3**	**13.3**	**13.3**	**13.3**
2.3.1	Public Information on the Number and Length of Liquidation and Reorganization, and Insolvency Judgments	3	10	3.3	3.3	3.3	3.3	3.3	3.3
2.3.2	Availability of a Public Registry of Insolvency Practitioners	2	10	10.0	10.0	10.0	10.0	10.0	10.0
2.4	**Public Officials and Insolvency Administrators**	**3**	**20**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**	**10.0**
2.4.1	Specialization of Courts with Jurisdiction on Reorganization and Liquidation Proceedings	2	10	0.0	0.0	0.0	0.0	0.0	0.0
2.4.2	Insolvency Administrator's Expertise in Practice	1	10	10.0	10.0	10.0	10.0	10.0	10.0
	Total	**17**	**100**	**68.3**	**68.3**	**68.3**	**68.3**	**68.3**	**68.3**
Pillar III – Operational Efficiency of Resolving Judicial Insolvency Proceedings									
3.1	**Liquidation Proceedings**	**2**	**50**	**37.3**	**33.0**	**44.8**	**44.0**	**29.3**	**25.5**
3.1.1	Time to Resolve a Liquidation Proceeding	1	25	12.5	8.3	20.0	20.0	5.0	1.0
3.1.2	Cost to Resolve a Liquidation Proceeding	1	25	24.8	24.8	24.8	24.0	24.3	24.5
3.2	**Reorganization Proceedings**	**2**	**50**	**48.3**	**48.3**	**49.8**	**47.5**	**48.3**	**48.0**
3.2.1	Time to Resolve a Reorganization Proceeding	1	25	23.5	23.5	25.0	23.5	24.3	23.5
3.2.2	Cost to Resolve a Reorganization Proceeding	1	25	24.8	24.8	24.8	24.0	24.0	24.5
	Total	**4**	**100**	**85.5**	**81.3**	**94.5**	**91.5**	**77.5**	**73.5**

Source: Subnational Business Ready
Note: The reported individual scores were rounded off; therefore, the sum of individual scores may not add up to the totals.

With funding by the European Commission