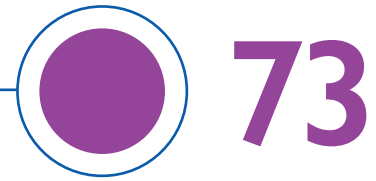


Bulgaria



Summary of Findings

I. INDUSTRY PARTICIPATION IN POLICY DEVELOPMENT

Between June to December 2022 the Ministry of Finance, together with the tobacco industry (TI), developed changes to the Excise Duties and Tax Warehouses Act. These changes introduced an excise calendar until 2026 with a smooth and predictable increase in excise duty. The official procedure was broken by considering only the proposals of the TI.

In 2021 during the discussions on the creation of a National Council for Tobacco Control, the Ministries of Economy, Agriculture and Finance insisted on the inclusion of representatives from the TI. In 2022, the creation of this council failed.

The official Bulgarian delegations to COP 8 and COP 9 did not include any officials from the TI.

2. INDUSTRY CSR ACTIVITIES

Sponsorship and CSR by the TI is not prohibited under Bulgarian legislation. This makes it possible to finance beach clean-up campaigns, long-term entrepreneurship programs, summer activities for children in tobacco-growing areas, preventive examinations for the elderly and other events.

During the COVID-19 pandemic, PMI Bulgaria donated a large sum for the purchase of protective equipment and medicines through an intermediary organization.

3. BENEFITS TO THE INDUSTRY

The TI has won a three-month delay until the updated excise calendar enters into force. The Government and Parliament did not commit to equalizing the excise duty on e-cigarettes and heated tobacco products with that of

conventional cigarettes. The absence of a ban on the use of these products in closed public places and their advertising is of direct benefit to the TI.

Unlike many other European countries, Bulgaria still allows the maximum amount of duty-free tobacco products to be imported into the country, and continues a commitment to provide transnational aid for tobacco producers until 2030.

4. UNNECESSARY INTERACTION

Multiple government officials are recorded in unnecessary interactions with the TI. This includes the president and ministers from various offices participating in public awards (Annual Responsible Business Awards organized by Bulgarian Business Leader Forum), health conferences, and at the international conference Green Transition. In most of these cases the events are sponsored by the TI.

The Prime Minister, Ministers, heads of the Customs Agency and other services legitimize contributions from the TI, such as one study determining the level of smuggling regarding empty packages.

5. TRANSPARENCY

The government provides no transparency on interactions with the TI. No official meetings of any ministries with the industry are disclosed on their websites, nor are the minutes of those meetings available. No order, directive or other type of document has been issued to regulate the public disclosure of meetings or other types of interactions with the TI. There is no law, regulation, or other document that requires transparency of these relationships in Bulgaria. Many meetings only came to light because of parliamentary requests for information, by request under the Access to Public Information Act, from the media, or by chance.

As of the timeframe of this report Bulgaria does not have any law on lobbying, or a lobby register. Three or four attempts to pass such a law failed, despite insistence by the EU.

6. CONFLICT OF INTEREST

The financing of parties and election campaigns by corporations and individual proprietors is prohibited by the Political Parties Act and the Election Code, and no data was found on the participation of retired senior civil servants in the management of tobacco companies.

It was established that civil servants from the Ministries of Education and Science, Finance and Justice are currently in positions of responsibility in PMI Bulgaria and BAT Bulgaria.

7. PREVENTIVE MEASURES

It was determined that the government has not established a procedure for disclosing records of interactions with

representatives of the TI based on the responses to questions submitted under the Access to Public Information Act to the Council of Ministers, the Ministries of the Economy, Finance, and Health.

There is a code of conduct for employees of the state administration, but no specific texts related to the TI.

Under the Tobacco and Related Products Act, tobacco companies are required to provide product-specific information, but there are no requirements to provide information on market share, marketing expenditures, lobbying and philanthropy.

The state administration is not familiar with the Framework Convention on Tobacco Control (FCTC), particularly Article 5.3. The specifics of the TI's activities are unknown, and no special rules are adopted to protect health policies from the influence of the industry and its allies.

Recommendations

1. Develop a National Tobacco Control Strategy, with a concrete action plan (provided with a defined timetable, measurable performance indicators, responsible agencies and adequate funding) to ensure the implementation of all recommendations of the WHO FCTC.
2. Create a state body to coordinate activities for the implementation of the national strategy, without the participation of representatives of the TI.
3. Develop measures protecting the public health policies from TI interference:
 - Adopt a program to increase the awareness of the state administration regarding the policies related to Art. 5.3. of the FCTC and the Guidelines for its implementation.
 - Comply with the Rules for the Organization and Activities of the National Assembly and the Code of Conduct for Civil Servants in the State Administration.
 - Adopt a law on lobbying and a lobby register, with mandatory disclosure of funding and specific lobbying purposes.
 - Adopt a comprehensive ban on sponsorship and donations by the TI.
 - Government to support non-governmental organizations in monitoring TI interference and to raise public awareness. Make it a requirement that non-governmental groups receiving public financing for health programs do not accept gifts or sponsorship from the TI.