

## STATEMENT

By: Associate Professor, PhD Stefan Dimitrov Ivanov, Scientific field “National economy (incl. regional economy and economic history)“, Economic Research Institute, Bulgarian Academy of Sciences

Referring: A competition for associate professor in the scientific field 3.8. Economics – Financing and development of public services, announced in SG, issue 44 from 19 May 2023

### **1. Information about the competition**

The competition has been announced for the needs of the Macroeconomics Department at the ERI-BAS on the grounds of art. 4 of the Development of Academic Staff in the Republic of Bulgaria Act, art. 86 of the Regulations on the conditions and order for acquiring scientific degrees and for holding academic positions at ERI-BAS and in accordance with a decision of the ERI-BAS Scientific Council.

The Scientific Jury for the competition and its composition are selected and approved with Protocol № 7 from 12 July 2023 of the ERI-BAS Scientific council and Ordinance № 368/18.07.2023 of the ERI Director.

### **2. Brief information about the candidates in the competition**

Chief assistant Dr. Dochka Angelova Velkova is a single applicant for the competition. The candidate's research, applied and expert activities are in the following areas: financing and development of public services, financial instruments, financing of public expenditures, incl. large investment projects, environmental economics, incl. water management, waste management, protection of air cleanliness, ecosystem services, etc.; affordability of private and public services, development and evaluation of public investment projects (including cost-effectiveness analysis; cost-benefit analysis; multicriteria analysis; sensitivity and risk analysis). In parallel, Dr. Velkova works as a team member and manager of a number of projects implemented by non-governmental and consulting organizations, as well as international programs and institutions in the above-mentioned areas.

### **3. Fulfillment of the requirements for occupying the academic position**

Chief assistant Dr. Dochka Velkova entirely fulfils the minimum national requirements and the requirements set forth by the Regulation on the conditions and order for acquiring scientific degrees and for holding academic positions at ERI-BAS. What is more, her score for publications (Indicator G, is 274.17 with a minimum requirement of 230) and for citations (Indicator D, is 145 with a minimum requirement of 70) well exceeds both the nation and the ERI-BAS requirements.

#### **4. Assessment of the scientific and applied production of the applicant**

The scientific production of Chief Assistant Dr. Dochka Velkova, presented for the competition, includes 11 publications, of which 3 monographic studies, 2 chapters of collective monographs, 2 articles and 1 study in refereed and indexed publications (Journal of Economic Research, Scopus) and 3 articles published in non-refereed journals with peer review or in edited collective volumes.

One of the monographs is presented as the main habilitation study - "Financial instruments for the implementation of municipal investment projects", co-authored with Chief assistant Dr. Yana Kirilova. The work is dedicated to an exceedingly important topic at present - the use of financial instruments for financing municipal investment projects, given the limited financial capabilities of the majority of municipalities in Bulgaria to finance investments with their own funds, their low creditworthiness, which makes it difficult to use debt funding, and the tendency to reduce grant funding in a pan-European context during the 2021-2027 programming period

The monograph presents the essence, content and development of financial instruments in the EU and Bulgaria. An empirical assessment was made of the place of financial instruments among the sources of financing municipal investments in Bulgaria - transfers/subsidies from the republican budget, own funds, borrowed funds (loans from banks and issues of municipal bonds), national funds and operational ESIF funds programs. The empirical study is huge in scale and covers: a thirteen-year period (2007-2019); the budgets of all 265 municipalities in Bulgaria; the cash flows of all other sources of financing municipal investments for the specified period. Based on a methodology developed by the authors, the place of each of the analysed funding sources in the context of the general investment activity of the municipalities is assessed. The barriers to the use of financial instruments by municipalities in Bulgaria are presented, with a special focus on creditworthiness as a key barrier. In conclusion, conclusions and recommendations are made for a more complete use of financial instruments as a source of financing of municipal investments in Bulgaria

The rest of the publications presented by Chief Assistant Dr. Velkova, fully correspond to the topic of the announced competition, and can be grouped into several areas:

- Financing and development of public services - through grants, incl. assessment of the possibilities of the beneficiaries to secure a financial resource for co-financing investment projects, through fees for the provision of services, through financial instruments, through combining sources of funding, etc. (Publications 1, 2, 4, 5, 6, 7, 9 and 10).
- Discussion on methodological aspects of the financing of public services, incl. development and implementation of a methodology for the evaluation of sources of financing in the context of the general investment activity of municipalities, structuring of a system of indicators for the assessment of financial capacity, proposed and applied alternative model for calculating the financial discount factor as an element of cost-benefit analysis (Publications 1, 2, 4 and 5)
- Assessment of affordability for the population of provided public services; incl.

development and implementation of an algorithm for assessment of the affordability of the water supply and sanitation services at the subnational level and by decile group (Publications 7 and 9).

- Assessments of the public pension system and the labor market and their interrelationships (Publications 3 and 11).

Referring to citations (Indicator D), the candidate Chief Assistant Dr. Dochka Velkova indicates 16 citations, which are distributed as follows: a) citations or reviews in scientific publications, referenced and indexed in global databases with scientific information or in monographs and collective volumes - 3 items, b) citations in monographs and collective volumes with scientific review - 7 items, and c) citations or reviews in non-refereed peer-reviewed journals - 6 items. The total number of points of the candidate under the group of indicators - D is 145, with a minimum requirement of 70 points according to the ERI-BAS Regulation.

## **5. Main scientific and applied scientific contributions of the candidate**

I accept the Reference for the contributions in the scientific production of the candidate in the competition Chief Assistant Dr. Dochka Velkova. I positively evaluate the chosen approach of presenting the contributions into two groups: (1) contributions of a theoretical-methodological nature; and (2) scientific and applied contributions.

The specified contributions can be systematized as follows:

- clarification of the essence, content and development of the financial instruments provided through operational programs in Bulgaria aimed at the development of public services, incl. identifying barriers to their use and formulating recommendations for expanding their application, which corresponds to the growing trends on a European and national scale to limit grant funding.
- development and implementation of a methodology for the evaluation of sources for financing municipal investments in Bulgaria.
- elaboration and application of models and indicators for assessment of: a) financial condition of beneficiaries of public funds, b) public investment projects for the provision of public services, c) assessment of the tolerability of public services and the need for the introduction of the mechanism of water social assistance.
- systematization of the links between parameters of the public pension insurance system and the labor market, development and application of methodological tools for researching the influence of the links.

In conclusion, the presented scientific production contains significant scientific and applied contributions that fully correspond to the profile of the announced competition.

## **6. Conclusion**

The candidate's scientific work and publications completely fulfil the regulatory requirements for the academic position of "Associate professor" at the Economic Research Institute at BAS.

Therefore, I am fully convinced to propose to the esteemed members of the current Scientific jury that we vote IN FAVOR OF awarding the academic position of "Associate professor" at ERI-BAS in Professional field 3.8. Economy – financing and Development of Public Services to the Chief Assistant Dr. Dochka Angelova Velkova.

15 September 2023

Signature:

Sofia

Ass. Prof. Dr. Stefan Ivanov