

Interreg
Danube Region



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Regional action plan Bulgaria

Activity 1.5

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Elaborated by RAPIV

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- 1. Introduction and methodology 2
- 2. Country landscape 3
 - National context 3
 - Lessons learnt from pilot actions 5
 - Stakeholders engagement and validation 6
- 3. Action plan 7

1. Introduction and methodology

This document introduces the regional actions of Bulgaria in the frame of the TEX-DAN project.

TEX-DAN aims at the uptake of technologies at SMEs for improved circularity in the textile and fashion (T&F) value chains through transnational collaboration in the Danube Region. The Danube Region is characterised by large differences in the use of circular solutions in the textile and fashion value chains. The partners of TEX-DAN agree that there is a need for improvement in knowledge, approaches, know how about innovative technologies, support measures, policy change that will lead to successful embedding of circularity in the textile branch. There is need for awareness raising activities, connecting market participants and education. In our project we have tested circular solutions along 4 key segments of the T&F value chain: 1) bioeconomy clothing, 2) circular design, 3) circulation production processes, 4) recycling.

Partners have elaborated the TEX-DAN Strategy, which represents a shared vision for guiding the circular transformation of the textile and fashion value chains across the Danube Region. It serves as a regional framework for connecting innovation, policy, financing, skills development, infrastructure, and standards in a coherent way. By fostering collaboration among public institutions, businesses, and knowledge actors, the Strategy helps the region meet EU ambitions on circularity, strengthen competitiveness, lower environmental pressures, and anticipate upcoming regulatory changes. The Strategy defined seven Strategic objectives and numerous measures. Based on these strategic objectives and measures we have elaborated regional actions that contribute to the implementation of the Strategy and help achieve its objectives.

The regional action plan builds on results from our activities in the project (analyses, execution of pilot actions, numerous encounters with stakeholders through awareness raising actions, study trips, matchmaking events, workshops, etc.).

We organised a workshop with key stakeholders on 18.03.2026 in Varna and online with 19 participants to fine tune the regional actions features in this document.

Below we list the more relevant stakeholders that have a role in the elaboration and implementation of the actions: Ministry of Economy and Industry, Municipality of

Beloslav, Agency for Economic Development – Varna, Bulgarian Chamber of Commerce and Industry – branch Varna, Industrial Association – Varna, Smart Varna, IUTE Bulgaria, and Business Angels - chapter Varna, Varna Free University “Chernorizets Hrabar”.

2. Country landscape

The Bulgarian Regional Action Plan under the TEX-DAN project is based on a structured analytical process carried out within Activities 1.1 and 1.2 of the project. The Plan builds upon the national analysis of the legal and regulatory framework and access to finance, the behavioural analysis of textile producers, retailers and fashion designers, and the results of the national stakeholder workshops organized by RAPIV. The Regional Action Plan also follows the framework and priorities set in the TEX-DAN Strategy and its Strategic Objectives.

National context

The textile and fashion sector in Bulgaria has a long tradition and remains an important part of the national manufacturing economy. The sector is mainly composed of small and medium-sized enterprises. Many companies operate as subcontractors for international brands. Production is often focused on cut, make and trim services with limited added value.

The sector is strongly export-oriented and sensitive to global market changes. Bulgarian companies face strong competition from fast fashion and low-cost imports. Profit margins are often low. Many enterprises operate in survival mode and have limited capacity to invest in innovation, digitalisation or circular technologies.

At the same time, Bulgaria has emerging good practices in circular business models. Companies such as Revive Apparel, Rematrak and TexCycle demonstrate practical examples of reuse, recycling and upcycling in the sector. These examples show that circular transformation is possible but still limited in scale.

The workforce in the sector is aging. There is a shortage of digital and technical skills. Young designers and creative professionals often face limited employment opportunities. This creates a risk of talent migration and loss of innovation potential.

The current structure of the sector shows both vulnerability and opportunity. Without support, many companies may struggle to adapt to new EU circular requirements. With

the right interventions, the sector can modernise and reposition itself towards higher value and sustainability.

Circular economy principles are reflected in several national strategic documents. These include the National Development Programme Bulgaria 2030, the Innovation Strategy for Smart Specialisation 2021–2027, the Strategy and Action Plan for Transition to Circular Economy 2021–2027, the National Waste Management Plan 2021–2028, the National Strategy for SMEs 2021–2030, and the Waste Management Act.

These documents recognise the importance of resource efficiency, waste prevention and green innovation. Circular economy is defined as a horizontal priority. Specific references are made to textiles in relation to waste management and eco-design.

However, the implementation of these policies remains limited in practice. There is currently no fully operational Extended Producer Responsibility system dedicated to textiles. There are no specific tax incentives for repair, resale or reuse activities. VAT reductions for circular activities are not applied. Public authorities have not introduced targeted measures to stimulate textile reuse markets.

The draft regulation on footwear and textile waste is an important development, but it is still in preparation. There is also limited availability of reliable data on separately collected and recycled textile waste.

This situation creates regulatory uncertainty for companies. While strategic direction exists, practical enforcement and sector-specific instruments remain underdeveloped.

Access to finance is one of the most critical barriers identified in the analysis. Bulgarian textile and fashion enterprises can apply under general SME support programmes such as Operational Programme Competitiveness and Innovation, Operational Programme Human Resources Development, National Innovation Fund and Operational Programme Research, Innovation and Digitalisation for Smart Transformation.

These programmes include instruments that support innovation, green technologies and digitalisation. However, there are no dedicated funding schemes specifically targeting the textile and fashion sector. Circular transition is addressed in a general manner and not through tailored financial instruments.

Private funding mechanisms such as venture capital and business angels are active in Bulgaria. However, none of them specifically focus on circular textile businesses. Micro-enterprises often face difficulties meeting eligibility requirements or co-financing obligations.

Several EU projects have supported circular textile initiatives in Bulgaria. These projects are valuable but temporary. Long-term structural financial pathways for the sector remain limited.

Stakeholders confirmed during the national workshop that financial barriers prevent many companies from investing in circular innovation. Advisory support and facilitation are therefore essential components of the Regional Action Plan.

The behavioural analysis highlights important gaps between awareness and action. Consumers often express positive attitudes toward sustainability but continue to purchase fast fashion products. Price sensitivity and lack of clear information influence purchasing decisions.

Companies report limited consumer demand for sustainable products. Retailers face difficulties promoting circular alternatives due to higher prices and limited public understanding of eco-labels and certifications.

Producers face technological limitations and skills shortages. Many SMEs lack knowledge about circular business models, eco-design and digital traceability tools. Cooperation between producers, designers and recyclers is weak.

Fashion designers demonstrate strong interest in sustainability. However, they face structural barriers such as limited access to financing, insufficient industrial collaboration and restricted market opportunities.

These behavioural and structural barriers confirm the need for actions focused on innovation support, skills development, mentoring and awareness rising. They also underline the importance of strengthening cooperation within the value chain.

Lessons learnt from pilot actions

The implementation of the Bulgarian pilot actions under the TEX-DAN project provided practical insight into the readiness of national textile and fashion SMEs to transition toward circular models. The pilot phase involved 4 companies representing different production profiles and levels of maturity within the sector.

The participating enterprises addressed key areas such as circular business model redesign, waste reduction, resource efficiency, digital traceability, and preparation for future EU sustainability requirements. The experience confirmed that Bulgarian SMEs are aware of the need for transformation and demonstrate strong motivation to adopt circular practices. The pilots highlighted several consistent findings.

First, companies require structured support to integrate sustainability into their overall business strategy. Many enterprises operate with strong technical expertise but lack formalised sustainability planning and long-term circular vision. Capacity building and strategic guidance are therefore essential.

Second, production-related improvements such as waste reduction, reuse models, and resource optimisation are realistic entry points for circular transition. The pilot companies explored take-back concepts, circular supply chains, product life extension, and internal waste mapping. These actions demonstrate that production processes offer immediate opportunities for measurable impact.

Third, digitalisation is becoming increasingly important. Companies expressed strong interest in carbon footprint measurement, traceability systems, and preparation for the Digital Product Passport framework. However, there is still uncertainty regarding regulatory requirements, technical standards, and financial implications. Advisory and coordination mechanisms are therefore necessary.

Fourth, access to finance remains a significant constraint. While the pilot phase focused primarily on strategic development, all companies identified the need for future investment in machinery, digital tools, and circular infrastructure. This confirms the need for improved information, matchmaking, and facilitation in accessing funding opportunities.

The pilot implementation also revealed systemic barriers such as limited awareness of evolving EU sustainability regulations and insufficient structured cooperation across the value chain. At the same time, it demonstrated that targeted expert support can significantly improve SME readiness for circular transformation.

The lessons learned from the pilot actions directly inform the design of this Regional Action Plan. The RAP builds on tested practices and identified needs. It focuses on scalable and realistic measures that strengthen innovation capacity, improve knowledge and skills, support digital transition, and facilitate access to finance.

Stakeholders engagement and validation

Stakeholder engagement has been a key element of the TEX-DAN process in Bulgaria. Validation was conducted at the strategic level and will continue at the level of the Regional Action Plan.

RAPIV organised a national workshop to review and validate the draft TEX-DAN Strategy and Regional Action Plan. The meeting involved representatives of the Ministry of Economy and Industry, local authorities, academia and civil society. Participants discussed the relevance and feasibility of the strategic objectives and measures.

Stakeholders emphasised the importance of networking and cooperation among SMEs. Particular attention was given to innovation clusters, matchmaking initiatives and participation in trade fairs as practical tools for knowledge exchange and market expansion.

The conclusions of the workshops **confirmed the importance of measures related to capacity building, cooperation and regional value chains**. These recommendations have been reflected in the design of the Bulgarian Regional Action Plan.

This continuous consultation process strengthens ownership, improves implementation prospects, and ensures coherence between the TEX-DAN Strategy and its national application.

3. Action plan

Action 1 - Continues application of the living lab model	
Brief description of action	The continuous application of the Living Lab model will provide a structured platform for supporting textile and fashion SMEs in their digital transition. Through awareness sessions, advisory support and mentoring, the Lab will improve understanding of Industry 4.0 technologies, digital traceability systems, carbon footprint tools and Digital Product Passport requirements. Joint sessions with academia and research organisations will strengthen digital and technical skills and facilitate knowledge transfer to enterprises. The Living Lab will also support SMEs in developing gradual modernisation roadmaps, reducing uncertainty related to technology investments and improving readiness for future funding opportunities.
Fit to TEX-DAN Strategy	SO1: Foster Innovation and technological transition Measure 1.1: Promote adoption of Industry 4.0 technologies, including digital design, automation, and recycling innovations, across textile and fashion enterprises with targeted support for SMEs facing limited technological readiness

Responsible organisation	RAPIV
Stakeholders and their role	Universities, Smart Varna, ICT Cluster Varna, Business support organizations, Successful companies, NGOs, Chamber of Commerce, Industrial Association
Proposed timeframe	2026-2028
Estimated resources	€6.000/Y
Expected result	5 supported companies nationally
Monitoring and follow-up	<ul style="list-style-type: none"> • Number of textile SMEs supported through the Living Lab annually. • Number of advisory and mentoring sessions delivered. • Number of digital transition roadmaps developed. • Level of satisfaction of participating companies ($\geq 75\%$). <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>

Action 2 - Establishment of a Green Finance Helpdesk	
Brief description of action	<p>The Green Finance Helpdesk will address the limited awareness of funding opportunities by providing structured information on EU, national and private financing instruments. It will support SMEs in identifying suitable blended finance options and guide them in preparing project proposals.</p> <p>By offering tailored advisory, the Helpdesk will improve investment readiness; reduce uncertainty related to financial procedures, and support companies in developing realistic financing pathways for green and digital technologies.</p>
Fit to TEX-DAN Strategy	<p>SO4: Enhancing finance and incentives for circular business models</p> <p>Measure 4.1 Establish and/ or provide support in accessing blended finance programmes supporting adoption of green, digital, and circular textile technologies</p>
Responsible organisation	<p>Business support organizations</p> <p>RAPIV</p>
Stakeholders and their role	<p>Universities; Fund of Funds; Financial institutions; Business-support organizations, Bulgarian Small and Medium Enterprises Promotion Agency</p>
Proposed timeframe	2026-2028
Estimated resources	€10.000
Expected result	<p>Helpdesk operational;</p> <p>5 T&F companies advised;</p> <p>3 funding applications supported</p>
Monitoring and follow-up	<ul style="list-style-type: none"> • Green Finance Helpdesk operational • Number of textile companies receiving advisory services. • Number of funding applications supported. <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed.

	<ul style="list-style-type: none"> Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>
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Action 3 - Organisation of investor and networking events	
Brief description of action	<p>Investor and networking events will facilitate direct interaction between textile SMEs and financial institutions, investors and funding bodies.</p> <p>These events will help overcome weak cooperation between enterprises and financial actors, improve understanding of sector-specific investment needs, and increase visibility of bankable circular and digital projects. They will also support matchmaking for blended finance opportunities.</p>
Fit to TEX-DAN Strategy	<p>Strategic Objective 4 Enhancing finance and incentives for circular business models</p> <p>Measure 4.1 Establish and/ or provide support in accessing blended finance programmes supporting adoption of green, digital, and circular textile technologies</p>
Responsible organisation	<p>Business support organizations</p> <p>RAPIV</p>
Stakeholders and their role	<p>Universities; Chambers of Commerce; Media partners; Investor networks; Financial institutions</p>
Proposed timeframe	<p>2027-2028</p>
Estimated resources	<p>€10.000</p>
Expected result	<p>2 investor events organised;</p> <p>120 participants</p>
Monitoring and	<p>Number of investor and networking events organised.</p>

follow-up	<p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>
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Action 4 - Organisation of financial literacy and investment-readiness training	
Brief description of action	<p>Financial literacy and investment-readiness training will strengthen SMEs' capacity to develop bankable projects and structured financial plans.</p> <p>These sessions will improve understanding of blended finance mechanisms, co-financing requirements and return-on-investment considerations. They will help companies build internal competence in financial planning for technological modernisation and circular transition</p>
Fit to TEX-DAN Strategy	<p>Strategic Objective 4 Enhancing finance and incentives for circular business models</p> <p>Measure 4.1 Establish and/ or provide support in accessing blended finance programmes supporting adoption of green, digital, and circular textile technologies</p>
Responsible organisation	Business support organizations, Universities, RAPIV
Stakeholders and their role	Universities; NGOs Financial experts; Chambers of Commerce

Proposed timeframe	2027-2028
Estimated resources	€3.500
Expected result	20 entrepreneurs trained in financial management and investment planning; improved access to funding instruments and project-financing opportunities
Monitoring and follow-up	<p>Number of participants in financial literacy and investment-readiness trainings</p> <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>

Action 5 - Acquisition and improvement of circular skills among businesses through RAPIV's training programmes	
Brief description of action	<p>This action will directly address the skills gap by providing structured training focused on circular economy principles, eco-design, resource efficiency and digital transition.</p> <p>It will strengthen knowledge related to sustainability reporting, traceability and ESG compliance, helping entrepreneurs align with emerging EU requirements.</p> <p>By integrating practical examples and applied tools, the training will support the incorporation of circular and innovative practices into</p>

	daily business operations and improve long-term competitiveness.
Fit to TEX-DAN Strategy	Strategic Objective 5 Build capacity and share knowledge across the value chain Measure 5.1 Development and delivering of skills and reskilling programs for workers and entrepreneurs
Responsible organisation	RAPIV
Stakeholders and their role	Universities, Smart Varna, Successful companies, NGOs, Chamber of Commerce, Industrial Association
Proposed timeframe	2026-2028
Estimated resources	€3.000/Y
Expected result	10 entrepreneurs completing the training course per year; Updated training programme in national and English languages 75% satisfaction rate from impact assessment of the trainees
Monitoring and follow-up	<ul style="list-style-type: none"> • Number of entrepreneurs completing circular skills training annually. • Satisfaction rate of trainees ($\geq 75\%$). • Number of knowledge-sharing events organised. <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>

Action 6 - Organisation of events for sharing knowledge and good practices	
Brief description of action	<p>Knowledge-sharing events will increase awareness of market opportunities linked to sustainable and circular textiles by presenting successful business cases and innovation examples.</p> <p>These events will facilitate peer learning and exchange of experience, helping entrepreneurs better understand Industry 4.0 trends and practical application of circular solutions.</p> <p>By promoting continuous dialogue within the sector, this action supports ongoing professional development and reinforces integration of circular principles across the value chain.</p>
Fit to TEX-DAN Strategy	<p>Strategic Objective 5 Build capacity and share knowledge across the value chain</p> <p>Measure 5.1 Development and delivering of skills and reskilling programs for workers and entrepreneurs</p>
Responsible organisation	RAPIV
Stakeholders and their role	Universities, Smart Varna, NGOs, Chamber of Commerce, Industrial Association, Business support organizations, Local authorities, Successful companies, Financial institutions
Proposed timeframe	2026-2028
Estimated resources	€6.000
Expected result	<p>6 online/ on-site events</p> <p>60 participants</p> <p>12 good practices/ case studies presented</p>
Monitoring and follow-up	<p>Number of participants in dissemination and good practice events.</p> <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact

	<p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>
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Action 7 - Organisation of legal and regulatory awareness campaigns for SMEs	
Brief description of action	<p>Legal and regulatory awareness campaigns will improve understanding among SMEs of existing and upcoming circular economy and sustainability regulations.</p> <p>By providing clear and accessible information, the action will reduce regulatory uncertainty and improve compliance readiness. At the same time, the campaigns will strengthen communication between public authorities and businesses, contributing to better alignment between policy frameworks and sector realities.</p>
Fit to TEX-DAN Strategy	<p>Strategic Objective 5 Build capacity and share knowledge across the value chain</p> <p>Measure 5.2. Strengthen capacity of policymakers, authorities, and support organisations in circular economy frameworks and governance</p>
Responsible organisation	Business support organizations
Stakeholders and their role	Universities; local and national authorities; Chambers of Commerce Industrial Association, T&F sector associations and networks, Media partners, public agencies
Proposed timeframe	2027-2028
Estimated resources	€4.000
Expected result	<p>2 awareness campaigns organised;</p> <p>100 SMEs reached;</p> <p>improved understanding of compliance, funding, and regulatory</p>

	obligations
Monitoring and follow-up	<p>- Number of SMEs reached through legal and regulatory awareness campaigns.</p> <p>- Summary of policy recommendations produced and disseminated.</p> <p>Monitoring frequency:</p> <ul style="list-style-type: none"> • Comprehensive evaluation and reporting: Once per year (December), summarising progress, KPIs, and key findings. • Mid-term review: Conducted in mid-2027, assessing cumulative results and determining if any corrective measures or updates to the RAP are needed. • Final evaluation: Conducted in late 2028, summarising overall performance, sustainability prospects, and policy impact <p>Monitoring will be implemented by RAPIV with the support of the listed stakeholders under each action.</p> <p>Information will be collected by regular e-mails, provided feedback from the participants in the different initiatives, attendance lists and reports, interviews, and public information available.</p>