

R E V I E W

by Prof. D. Sc. Evgeni Georgiev Evgeniev

Higher School of Insurance and Finance

of the materials submitted for participation in a competition for the academic position of
professor

at the Higher School of Insurance and Finance

in the field of higher education: 3. Social, economic and legal sciences,

Professional field 3.8. Economics, scientific specialty "Finance, monetary circulation, credit
and insurance"

In the competition for a professor, announced in the State Gazette, issue 5 of 17.01.2025 and on the Internet site of the Higher School of Insurance and Finance, guest professor Dr. Andrey Boyanov Zahariev from the Higher School of Insurance and Finance participates as a candidate

1. General presentation of the received materials

By the Decision of the Academic Council meeting with Protocol No. 10 of 12.03.2025 and Order No. 119 of 24.03.2025 of the Rector of the Higher School of Insurance and Finance, I am appointed as a member of the scientific jury of a competition for the academic position of "professor" at VUZF in the field of higher education 3 "Social, economic and legal sciences", Professional direction 3.8. "Economics", scientific specialty "Finance, monetary circulation, credit and insurance".

Guest professor Dr. Andrey Boyanov Zahariev from the Higher School of Insurance and Finance, registered in NACID under number 14820 with academic positions "associate professor" since 2001 and "professor" since 2012, has submitted documents for participation in the announced competition. The set of materials on paper/electronic media presented by guest professor Dr. Andrey Zahariev is in accordance with the Regulations on the terms and conditions for holding academic positions at VUZF and includes the following documents:

1. CV in European format;
2. copy of the diploma for the educational and scientific degree "Doctor" or the scientific degree "Doctor of Sciences";
3. document for the held academic position "Associate Professor" and "Professor";
4. monographic work with a summary;
5. list of publications after holding the academic position "Associate Professor" or the defense of a dissertation for the award of the scientific degree "Doctor of Sciences" and copies thereof;

6. summaries in Bulgarian and English of publications after holding the academic position "Associate Professor" or the defense of a dissertation for the award of the scientific degree "Doctor of Sciences";
7. medical certificate (for external persons);
8. criminal record certificate (for external persons);
9. certificate of the required experience under Art. 33, para. 1, item 2;
10. separation protocols for joint publications, if any;
11. evidence of supervision of doctoral students appointed as lecturers in the higher education institution;
12. evidence of supervision of scientific projects and other research tasks;
13. certificate of fulfillment of the minimum national requirements for holding the academic position of "professor";
14. certificate of original scientific contributions in the works and citations (excluding auto-citations);

The candidate guest professor Dr. Andrey Zahariev has submitted for evaluation in the competition a total of 42 scientific works, of which 33 studies, articles and reports (incl. 10 in SCOPUS/Web of Science), 2 monographs, 1 chapter of a collective monograph, 5 textbooks and 1 teaching aid. Documents for leadership and participation in scientific projects (26 projects), references for citations and reviews (12 citations in SCOPUS, 17 reviews in SCOPUS, 4 citations in monographs and 211 citations in non-refereed journals with scientific review), references for scientific supervision of 17 defended doctoral students, all of whom are registered in the National Center for Scientific Research and Development.

The minimum required points by groups of indicators for the academic position "professor" from the National Center for Scientific Research and Development of the Republic of Bulgaria for the field of higher education 3, PN 3.8 "Economics" have been categorically met. The candidate for the competition, guest professor Dr. Andrey Zahariev, presents, through references and attachments, evidence of 3348.80 points under the PPZRASRB, with the excess over the minimum by indicator groups being as follows: group A - compliance of 50 points, group B - compliance of 100 points, group D - excess of 163.41 points with a required 200 points, group E - excess of 1430.00 points with a required 100 points, group E - excess of 1205.39 points with a required 100 points.

2. Brief biographical data (of the candidate)

Guest professor Dr. Andrey Zahariev graduated from higher education with a master's degree in 1994. In 1999, he defended his doctoral dissertation on the topic "Financial Management of Human Resources". He began his academic career as a lecturer in 1995 (as an honorary assistant) and by 2024 he had reached the academic positions of "associate professor" since

2001 and "professor" since 2012 with a scientific specialty of "Finance, monetary circulation, credit and insurance". He held administrative positions at the "D.A.Tsenov" University of Applied Sciences - coordinator and director of the distance learning center, vice-rector for the training of master's and doctoral students, vice-chairman of the General Assembly, head of the "Finance and Credit" department and dean of the "Finance" faculty. He has led master's programs "Financial Management" and "International Financial Management" (in English for a double diploma). He is the scientific supervisor of seventeen Bulgarian and foreign doctoral students with a defended doctoral degree. He is the author of scientific research and educational content on "International Finance", "Financial Analysis with MS Excel", "Financial Theory", "Introduction to Finance", "Debt Management", "Capital Management in the Company", "Financial Management of Human Resources", "Municipal Budget Management", "Project Financing Techniques", "Financial Analytics", "Currencies and Foreign Exchange Transactions", etc. He was the editor-in-chief of scientific journals, worked on dozens of scientific projects as a coordinator and member of scientific teams, and led Erasmus+ KA220-HED projects. He specialized in universities in Germany, Great Britain, Greece, Malta, Ukraine, Russia, Switzerland, Morocco, Spain, etc. He is the author of over 270 publications registered in NACID, including 15 monographs, over 90 studies and articles, over 70 textbooks and teaching aids, as well as over 80 scientific conference reports. He is rated with a Hirsch index of 5 in SCOPUS and a Hirsch index of 3 in Web of Science. He was awarded the honorary titles "Doctor Honoris Causa" of the Donetsk National University "Vasiliy Stus", Vinnitsa, Ukraine (in 2017) and "Professor Honorificus" of the University "Artifex" in Bucharest (in 2024). His scientific works have been published in Bulgarian, English, Russian, Turkish, Romanian and Serbian.

In November 2024, guest professor Dr. Andrey Zahariev joined the team of the Higher School of Insurance and Finance and led the academic courses at the Bachelor's Degree Program in "Fundamentals of Finance and Economic Theories" and "Financial Risk Management".

3. General characteristics of the candidate's activities

The candidate, guest professor Dr. Andrey Zahariev, has extensive teaching experience, having developed numerous textbooks and training courses for his teaching and methodological work, and is submitting the following to the competition:

- Project Financing Techniques (stand-alone textbook);
- Capital Management;
- Circular Economy (in English);
- Financial Theory.

In the monographic work submitted for review with the title "Financial Decentralization - Cross Analysis and Empirical Evidence" (2025, ISBN 978-619-7622-67-6), the author sets the object of study as financial decentralization in Bulgaria, and as its subject - the establishment, through cross analysis and empirical evidence, of the current state, problems and prospects

facing Bulgarian municipalities through the prism of the responsibilities and powers of local government bodies. The main thesis of the monographic work is formulated as follows: financial decentralization is a multidimensional process of a strategic nature, combining delegation of powers with their resource provision to ensure the implementation of the provisions of the European Charter of Local Self-Government, in an environment of multiple crises and perspectives related to the country's membership in the Schengen area and the Eurozone.

The purpose of the study is to study financial decentralization in the period 2020-2025 as a process and current state, taking into account the impact of multiple crises, the depletion of sources of own revenue in municipal budgets and the perspective of accumulating positive effects from the country's membership in the Schengen area and Bulgaria's accession to the Eurozone. The qualitative study of the fiscal decentralization process reveals problems and outlines guidelines for their solution.

After reviewing theoretical statements and the most current scientific research on the problems of decentralization, in chapter one, the graphic profiles of the distributions of the answers in the survey are displayed, a visual representation of the distribution of the preferences of the respondents in several directions is given. The first direction of assessment is process and establishes whether and to what extent we have a tendency of improvement or deterioration in policies that mark financial decentralization not only as a written strategic document, but also as real effects, measured through the prism of the financial condition of Bulgarian municipalities (the first section with questions). The second direction of assessment is static and forms an assessment at the selected second time point - before the country's accession to the eurozone and after its accession to the Schengen area (section nine in the survey). This section tests the development perspective and the main factors that can support the improvement of the state of the municipal economy based on political decisions of the central government.

In chapter two, a cross-analysis was conducted. The results show that during the COVID-19 pandemic, the financial situation of municipalities is worse than in the post-pandemic period and in 2024. The exception is small municipalities, whose situation shows improvement in 2024. Trends for improving the financial situation for the period 2020-2025 are established in most of the medium-sized and large municipalities and in a smaller part of the small and largest municipalities. It is established that the most preferred way of financing most categories of municipalities is the use of loans from the FLAG fund. There is a unification of the opinions of the municipalities on the issues of organizing waste collection, with the majority preferring that it be carried out by a municipal enterprise under the Waste Management Act. However, the municipalities do not agree on the basis on which the household waste tax should be determined. There is also a unification of the opinions of the municipalities on the introduction of separate waste collection and the assessment of the quality of this service. The various types of infrastructure (water supply and electricity) in all four categories of municipalities are assessed as better in municipal centers, compared to that in the territories outside them. Medium and large municipalities to the greatest extent appreciate the positive effects of the development and implementation of the Integrated

Development Plan on the respective municipality, as well as those of the National Recovery and Resilience Plan, while small and largest municipalities to a lesser extent. Larger municipalities are more positive about the positive impact of the country's entry into the Schengen area, compared to small ones. The same is observed with regard to the country's entry into the Eurozone, although skepticism is greater on this issue. The data show that all categories of municipalities rely on tourism as a factor for development, especially the largest ones.

By applying the tools of descriptive statistics and sectoral correlation analysis of the survey results, chapter three derives econometric estimates of the degrees of kurtosis and symmetry in the distribution of responses in the survey with a cross-sectional analysis at the beginning of 2025, before Bulgaria's accession to the eurozone. The data from the descriptive statistics show the lack of normal distribution for most of the studied variables and characteristics of the financial decentralization process. The established correlation relationships are of varying degrees of strength between the positions of the municipalities on financial decentralization at the beginning of 2025 and confirm the absence of universal solutions to the identified problems, which requires the application of an iterative approach to overcome them. Based on the data, the author establishes that most relationships between the variables within the individual groups are characterized by moderate to high correlation and less often as very high. The conclusion is that bridging the gap between the decentralization of responsibilities and the centralization of resources in the public sector system of the economy requires ongoing debate and public interest.

The second monograph submitted for the competition is entitled "Fiscal Decentralization and Financial Management of Municipalities in Bulgaria" (2012, ISBN 978-954-23-0742-6).

Through a critical review of the process of fiscal decentralization in Bulgaria and parallel surveys among target groups of respondents, the monograph identifies a set of weaknesses and gaps in the process, leading to a serious deterioration in the financial stability of municipalities (especially during the financial crisis of 2009-2011). The object of study in the monograph is fiscal decentralization in Bulgaria, and its subject is the toolkit for financial management and development of the debt capacity of municipalities as a counterpoint to the policy of centralization of financial resources. The main thesis of the monographic work is formulated as follows: by motivating processes of fiscal decentralization and parallel implementation of techniques and tools for multi-year financial management and development of debt capacity, Bulgarian municipalities are able to ensure real implementation of the provisions of the European Charter of Local Self-Government, related to the provision of the necessary resources and means for the implementation of delegated powers and responsibilities. The purpose of the work is to study the process of fiscal decentralization in the period 2007–2011 and to argue innovative, multi-purpose instruments for municipal financial management, ensuring debt capacity and the budget process in Bulgarian municipalities.

To achieve the goal of the work and validate the research thesis, eight chapters have been developed and working hypotheses have been formulated, relevant to each of these chapters: Hypothesis one. In Bulgaria, financial decentralization is possible mainly through

fiscal decentralization. Hypothesis two. Despite the positive regulatory amendments and the granting of powers to municipal councils in determining the amount of certain taxes under the Law on Vehicle Taxes, there has been a deterioration in the financial situation of municipalities in the period 2007–2011, correlating with macro- and local factors. Hypothesis three. There is a greater dependence of local self-government bodies on the central government for small municipalities (municipalities with up to 10 thousand inhabitants and from 10 thousand to 30 thousand inhabitants) and a subsequent tendency towards greater claims for financial transfers, including through the method of shared taxes. Hypothesis four. There are prerequisites for linking taxes under the Law on Vehicle Taxes to policies for maintaining public technical infrastructure in conditions of correction in terms of unfair provisions in the vehicle tax. Hypothesis five. Bulgarian municipalities maximize the effects of absorbing funds under Operational Programs by developing a management and analytical toolkit that examines all budget flows and allowable co-financing capacity, including by assuming municipal debt, within limits that guarantee its affordability and serviceability, under various, modeled, multi-year scenarios for the development of the local community in the conditions of fiscal decentralization. Hypothesis Six. Due to the reduction (and in certain cases, exhaustion) of own sources for financing investment programs in municipalities, through the techniques for financing municipal investment projects by assuming municipal debt, the necessary resources can be provided and the deficit caused by the cyclical nature of own revenues in the conditions of financial and economic crisis can be overcome. Hypothesis Seven. Through debt security of the municipal investment process in Bulgarian municipalities (following the example of Varna Municipality, Shumen Municipality, etc.), the necessary resources have been accumulated for investments in technical infrastructure and co-financing of projects under EU Operational Programs. Hypothesis Eight. There are significant problems in the water supply and sewage sector that require urgent interventions and management solutions in local communities in order to achieve quality standards, reduce water losses and meet deadlines for limiting and finally stopping the current pollution of rivers and water catchment areas.

Both monographic works from 2025 and 2012 illustrate the candidate's ability to independently and in-depth study of important and pressing issues of financial decentralization.

In the scientific and scientific-applied activities of guest professor Dr. Andrey Zahariev, there is a significant volume of scientific contributions, the most important of which are:

- ✓ National research at two time points (2012 and 2025) and two periods (2007-2011 and 2020-2024) on fiscal decentralization in Bulgaria and strengthening the investment capacity of municipalities. Improving the techniques of financial management of Bulgarian municipalities and project financing (Scientific publications No. 1 and No. 2).
- ✓ Theoretical and empirical research and developments in the field of human capital, digitalization, corporate social responsibility, healthcare and financial

management of human resources in the Bulgarian banking, financial and insurance sectors (Publications 14; 15; 18; 34; 35).

- ✓ Methodological, regulatory and didactic enrichments in the field of quality of higher education in finance and economics, the development of multilingual educational content, e- and distance learning, artificial intelligence and investments in a modern learning environment in higher education institutions according to the STEM standard (Publications 11; 20).
- ✓ Macroeconomic and international comparative research on gold reserves, central bank balance sheet positions, national deficits and the healthcare system in conditions of multiple crises. Theoretical and empirical studies on the "shadow economy" and "tax evasion" (Publications 25; 27; 28; 36; 40).
- ✓ Justification and testing of a technology for building an annual interest rate curve based on fundamental analysis in Bulgaria. Testing of a methodology for optimizing the capital structure of Bulgarian public companies on the Bulgarian capital market (Publications 26; 41).

Additionally, the candidate for the competition has analytically identified 3 contributions of a novel nature, 3 contributions of a nature of enrichment of existing knowledge and 3 contributions of a nature of application of scientific and practical achievements.

The candidate has also presented numerous articles and reports from scientific conferences, which confirm the high scientific and practical training and the depth of the research of guest professor Dr. Andrey Zahariev. With his level of citation according to Hirsch in SCOPUS, the candidate in the competition should be placed among our highly ranked scientists in the professional field. As of the date of preparation of the review, 14 publications of the author are established in the SCOPUS/Web of Science registers (ten of which are submitted under the competition), as well as 275 titles in the NACID register (42 of which are submitted under the competition). All titles in the competition were published after the acquisition of the academic position of "associate professor" in 2001, with 90% of them also being published after the first acquisition of the academic position of "professor" in 2012.

4. Assessment of the candidate's personal contribution

The analysis of the documents submitted in the competition gives me reason to conclude that Guest Professor Dr. Andrey Zahariev possesses the qualities of a high professional in the field of finance, having significant contributions both in theory and in its practical application. The minimum scientometric requirements for holding the scientific position of "Professor" have been met categorically (by far) according to the Law on the Development of the Academic Staff in the Republic of Bulgaria (LDACRB).

5. Critical remarks and recommendations

I have no remarks on the candidate.

I would recommend Guest Professor Dr. Andrey Zahariev to continue his research in the field of financial theory, financial decentralization, financial risk management and international finance.

6. Personal impressions

My personal opinion, based on the materials reviewed and personal contacts with guest professor Dr. Andrey Zahariev, is that he would take his rightful place in the academic staff of VUZF in the academic position of "Professor", for which he is a candidate.

CONCLUSION

In conclusion, I believe that the documents and materials presented by Guest Professor Dr. Andrey Boyanov Zahariev meet all the requirements of the Act on the Development of the Academic Staff in the Republic of Bulgaria (ZRASRB), the Regulations for the Implementation of ZRASRB and the relevant Regulations of VUZF. They fully present his scientific activity. Based on what I have stated so far, as a member of the scientific jury, I support the appointment of the academic position of "professor" at the Higher School of Insurance and Finance by Guest Professor Dr. Andrey Boyanov Zahariev.

I recommend that the esteemed Scientific Jury prepare a report-proposal to the Academic Council for the election of Dr. Andrey Boyanov Zahariev to the academic position of "professor" at VUZF in the field of higher education: 3. Social, economic and legal sciences, Professional field 3.8. Economics, scientific specialty "Finance, monetary circulation, credit and insurance".

Sofia, 11.5.2025

Reviewer _____

Prof. D. Sc. Evgeni Evgeniev