



Executive Forum

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## **BUSINESS FOR DEVELOPMENT: IMPLICATIONS FOR EXPORT STRATEGY-MAKERS**

# **BULGARIA**

ECO-TOURISM A WINDOW TO THE FUTURE

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## The Bulgarian Experience

Over the last five years Bulgaria has seen a steady increase of approximately 38 percent in revenues from international tourism. In 2002 Bulgaria earned 1,334.0 Million US Dollars from international tourism with almost 3 million tourists entering the country. The increase in travellers coming to Bulgaria, and the marked increase in tourism related earnings, clearly indicates the underlying potential for the development of Bulgaria's tourism sector. This not only in the traditional areas of Bulgarian Tourism which is Sun and Ski but also in the area of alternative tourism, that nationally often is being referred to as "the third season" tourism.

Alternative tourism in Bulgaria, which is closely linked to the country's rich culture and nature, is seen as the new alternative to markedly increase Bulgaria's tourism potential. It will not only provide additional earnings in the traditional low seasons, fall and spring, but it would also provide for interesting "side" attractions for people taking advantage of the typical travel offers of winter and summer.

Although in its infancy, the Bulgarian Eco-tourism market has established itself with an increasing number of "Bead and Breakfast", eco-trails and nature related tours. Unfortunately, there has not been made any surveys of the Eco-tourism market at this point, thus making it impossible to evaluate the scope of the sector. However, indicatively one can observe an increase in people, of both national and international origin, which seek out the eco-tourism products on offer. It has been estimated that in 2001 more than 160.000 Bulgarian vacationers went on eco-tourism oriented trips resulting in a total overnight stay at local establishments of 2.710.000. This clearly indicates a substantial national market potential.

Unfortunately the international market segment is comparatively much smaller and can be counted in the thousands or perhaps tens of thousand. Although the international market is relative dormant it provides Bulgaria with a golden opportunity for entering into the tourism export market primarily in countries like Spain, England, USA, France, Netherlands, Germany and Israel where Bulgaria already has gained a small foothold.

Bulgaria has over the last three to five years seen a tremendous grass root level interest in pursuing the development of alternative forms of tourism, such as cultural tourism and eco tourism. The barring element of these initiatives are low environment impact and high customers satisfaction and in generally follows the basic elements of ecotourism.

- Minimal impact on sites and the environment.
- Sustain the wellbeing of local people
- Involves responsible actions on the part of the tourists and the tourism industry
- Is delivered primarily to small groups by small scale businesses
- Requires the lowest possible consumption of non-renewable resources
- Stresses the participation of local communities.

Within the same period the Bulgarian Government has been focusing on how to further tourism, and particular alternative tourism, on the national agenda. This has resulted in the inclusion of tourism related issues into the national legislation. Most importantly the Tourism Act (2002), but also other sector and cross setoral laws, such as the Biodiversity Act (2002), the Territorial Planning Act (2001), the Regional Development Act (1999), the Protected Areas Act (1998), and the Forestry Act (1997).

In furthering its efforts the Government Ministries of Environment and Waters, Agriculture and Forestry and Economy signed a protocol agreement for cooperation in the area of eco-tourism at the first National Forum and Fair for Ecotourism, Mountains and Protected Areas in October 2002. This forum was also the starting point for the development of, what now is commonly called, the National Eco-Tourism Strategy.

At the opening Bulgaria's Prime Minister Mr. Simeon Saxe Coburg-Gotha stressed the importance of ecotourism as an economic sector, which not only generates new and additional income to the nation as a whole, but also as an important tool for regional sustainable development and nature protection. Specifically the Prime Minister pointed to that:

- Ecotourism is business development that aims to protect nature and reinforces people's positive practices and attitudes towards environmental conservation.
- Ecotourism in Bulgaria can be a successful business activity capturing the initiative of small entrepreneurs in small villages and townships.
- Ecotourism can be used as a tool for economic growth in some of our poorest rural areas.
- Ecotourism is a source of local pride, helping to reinforce cultural traditions that the world admires - sustainable agriculture, crafts and our historical traditions.
- Ecotourism is a local government tool - a viable part of their portfolio of human development - infrastructure investment, skills development, employment, and business growth.
- Ecotourism is also one of the most viable income generating opportunities for people bordering our expansive forests and protected areas

He went on to say "Bulgaria has already secured itself a place in the European tourist market. Ecotourism will undoubtedly supplement and complete our image as a tourist destination while opening fresh opportunities for international economic investment, private and public sector relationships, and cultural cooperation. We are perhaps, embarking on a road that will lead to Bulgaria as the center for ecotourism in the Balkans." (Opening speech by Prime Minister Mr. Simeon Saxe Coburg-Gotha, 2 October 2002)

The National Eco-Tourism Strategy, which initial draft has been praised by reviewers of many international organizations such as United Nations Environment Program, TIES (International Ecotourism Society), the World Tourism Organization, the World Travel and Tourism Council, the PAN Parks Network and UNESCO, are being created on the base of a board policy framework, which creates a favorable political environment. This framework includes the National Environment Strategy, the National Action Plan for 2000-2006, the National Biological Diversity Conservation Strategy 1994, the National Strategy for the Promotion of Small and Medium-Sized Enterprises (SMEs) Development for the period 2002-2006 and the National Regional Development Plan 2000-2006.

To capitalize on the very strong grass root interest in the alternative tourism sector and to ensure a broad national ownership, the National Eco-tourism Strategy formulation process is based on a very strong bottom up approach.

The initial working group, which created the first draft of the National Eco-tourism Strategy, consisted of a balanced group of experts that had close relationships to the regions and regional interests. Subsequently, at the National Forum and Fair for Ecotourism, Mountains and Protected Areas more than 150 people involved in alternative tourism activities provided their feedback to the presented draft.

At present the redrafted version of the National Eco-tourism Strategy is to be reviewed in 12 regions of Bulgaria via an interaction process where local views and ideas are to be incorporated. In addition, the local stakeholders will create their own local action plans for how their region best can implement the National Eco-tourism Strategy.

One of the main sections of the National Eco-tourism Strategy is "Eco-tourism Development". The Strategy stresses that while being an important tool for protected areas management, biodiversity conservation and cultural site management, eco-tourism is also a tool for income generation through business development. In accordance the strategy focuses upon the need for improving the entrepreneurial capacity of businesses and training of the local communities, which provides eco-tourism services.

The Strategy also focuses on the development of effective Small and Medium Eco-tourism enterprises. An important aspect, in connection to this, is that the Strategy also focuses on the need for expanding the access to financial mechanisms, equity investments and other funding resources. This is a very important issue, as initial investments are needed in order to spring-board the quality of the existing, and new, eco-tourism products up into an acceptable international market standard.

Interestingly enough, the developers of the Bulgarian National Eco-tourism Strategy (the regional stakeholders) want to build their eco-tourism products on the base of a very strong national setting. The Strategy is a proponent for building the national market initially focusing on the Bulgarian clientele before bringing the products to the international arena. This is a very cautious approach, but can also be seen as a very wise strategic concept. By developing the sector and testing it domestically, the businesses can develop their product through an adaptive management approach, thus learning while doing. This approach ensures that when the products are presented on the international market, they are tested and therefore would provide a high level of customer satisfaction by the international clientele.

Another interesting point is that the Strategy promotes the idea of Bulgaria becoming a leader in, and a model for, Eco-tourism in the Balkans and in Europe. This is of course an ambiguous task, which will take time to achieve, but none the less it is being seen as being very much obtainable. However, one of the first steps in this process is to create a new national image of the country, among others through the creation of a national brand. In fact, the creation and promotion of national brands are of extreme importance, as Bulgaria to many outside the country is very little known. Accordingly, the Tourism and Eco-tourism are sectors, with their very high potential of becoming strong recognizable brands, are seen as one of the media that are to sell Bulgaria on the international market.

Although only in the process of being developed, the National Eco-tourism Strategy is seen as an important instrument for the future development of the sector. A sector that has the vast growth potential on both the national and international markets. The Strategy development is therefore a very encouraging process, from which it is hoped that Bulgaria will greatly benefit. However, most encouraging so far, has been the heavy involvement of local and national stakeholders in the developing process, which will make the forthcoming document truly a **National** Eco-tourism Strategy.