

**Biodiversity Conservation & Economic Growth  
(BCEG) Project**

**SECOND ANNUAL REPORT**

*May 2001 – April 2002*

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**Bulgaria Biodiversity Conservation and Economic Growth Project**

is a collaborative initiative between the

**United States Agency for International Development**

and the

**Government of the Republic of Bulgaria**

implemented by

**Associates in Rural Development, Inc.**

Project Number LAG-I-00-99-00013-00

Task Order No. 1

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*Acronyms*

AOP	Annual Operation Plan
ARD	Associates in Rural Development, Inc.
BAAT	Bulgarian Association of Alternative Tourism
BATA	Bulgarian Association of Travel Agents
BCEG	Biodiversity Conservation and Economic Growth Project
BSBCP	Bulgarian-Swiss Biodiversity Conservation Program
CBNP	Central Balkan National Park
CCN	Contributing Country National
CHM	Clearing House Mechanism
COM	Council of Ministers
CRP	Contract Results Package
CTO	Cognizant Technical Officer
EEA	Executive Environmental Agency
EIA	Environmental Impact Assessment
EIG	Ecotourism Initiative Group
EPA	Environmental Protection Act
EU	European Union
FLAG/UD	Firm Level Assistance Group/University of Delaware
GEF	Global Environment Facility (note the acronym “GEF” is also generically in Bulgaria for the USAID/GEF Biodiversity project)
GIS	Geographic Information System
GOB	Government of Bulgaria
GPS	Global Positioning Systems
HQ	Headquarters
IQC	Indefinite Quantities Contract
LOE	Level of Effort
MBA	Master of Business Administration
MOAF	Ministry of Agriculture and Forestry
MOEW	Ministry of Environment and Waters
MOU	Memorandum of Understanding
MP	Management Plan
NEPF	National Environmental Protection Fund
NGO	Non-Government Organization

NNPS	National Nature Protection Service (of MOEW)
NP	National Park
NTEF	National Trust Eco-Fund
NTFP	Non-Timber Forest Products/Non-Timber Natural Resources (NTNR)
PCT	Project Counterpart Team
PHD	Program and Human Development
PMU	Project Management Unit
REA	Rapid Ecological Assessment
REC	Regional Environmental Center
RMNP	Rila Monastery Nature Park
RNP	Rila National Park
SME	Small and Medium Enterprises
STTA	Short-Term Technical Assistance
TOR	Terms of Reference
UDF	Union of Democratic Forces
UNDP	United Nations Development Program
USAID	United States Agency for International Development
WWF	World Wilderness Fund

## *Preface*

The Biodiversity Conservation and Economic Growth (BCEG) Project is funded by the United States Agency for International Development, (USAID), as part of its strategic support to the Republic of Bulgaria. The Project is sponsored by USAID in conjunction with the Government of Bulgaria – the Ministry of Environment and Waters (MOEW). The Project is governed by a Memorandum of Understanding (MOU) between the two governments, and its implementation covers the period: May 2000 – October 2002.

This Project is a logical evolution of earlier USAID assistance to biodiversity conservation in the country. It follows some 10 years of assessment, technical assistance and financing of Bulgaria's biodiversity conservation strategic development, new protected areas legislation, and new national park institutions. The Project is designed to capitalize on the achievements of the Bulgaria Global Environmental Facility (GEF) Biodiversity Project (implemented during the period June 1995-April 2000), and builds on lessons learned.

The BCEG Project addresses six specific contract themes known as tasks or “contract result packages”. The BCEG Project includes the finalization and implementation of two national park management plans, the development of a new management plan for Rila Monastery Nature Park. It assists in the development of financial mechanisms and strategies to ensure the solvency of national parks. The Project pilots economic growth activities with select target groups around two Bulgarian national parks. And it continues to build on the principles of strong public information and awareness as stepping stones for informed public engagement and promotion of biodiversity conservation and protected area management activities.

This Project is issued as a Task Order (Contract Number LAG-I-00-99-00013-00) under the USAID Global Biodiversity and Forestry Indefinite Quantities Contract (IQC); and is implemented on behalf of USAID by Associates in Rural Development, (ARD) Inc., of Burlington, Vermont, USA.

The Project is implemented through a Project Management Unit (PMU) based in Sofia, and includes a Team Leader, three Bulgarian technical specialists, and support staff.

Project activities are coordinated through two mechanisms –

- (a) Project Coordination Group – serves as a steering committee for Project planning and monitors implementation. This consists of the National Nature Protection Service of the MOEW, and national park directors, the PMU and USAID.
- (b) Project Counterpart Team – PMU staff working with MOEW/NNPS counterparts.

The Project is largely implemented through the Directorates for Rila and Central Balkan National Parks. Additional technical assistance is provided by Bulgarian and international consultants, and is based on specific terms of reference.

## **1.0 Introduction**

BCEG Project activities are guided by a life of project work plan, implemented through an annual work plan. Reports regarding progress are required quarterly, and annually. This annual report covers the period **May 2001 – April 2002**.

### **1.1 Project Supervision**

USAID manages this contract through a project officer, Alicia Grimes, Cognizant Technical Officer (CTO), based in Washington D.C., Europe and Eurasia Bureau/EEST. The BCEG Project however, is one aspect of the USAID Mission to Bulgaria's "Special Initiatives and Cross-cutting Programs". This unusual management structure is historical. Traditionally, the Project has also been supported and overseen by the Mission's PHD, in Sofia.

The USAID Mission to Bulgaria appointed an Environment and Natural Resources Specialist to its staff in March 2001. Among other program duties, the Specialist represents the Mission's interests to the Project, and is now a direct point of contact to the Mission's country program.

### **1.2 Bilateral Agreement**

A Memorandum of Understanding is the formal tool governing the working agreement between the Governments of the United States of America and the Republic of Bulgaria. The MOU was signed between the Governments of the USA and Republic of Bulgaria, on November 30, 2000. The Memorandum reflects the respective commitment of each Government to the successful implementation of this Project.

An amendment to the MOU was requested in December of 2000, in order to reflect changes to a critical timetable in the agreement. The amendment was not signed during this reporting period.

### **1.3 Project Coordination – Steering Committee**

The Project is guided and reviewed on a regular basis by a Project Coordination Group – steering committee. This group is comprised of the PMU Technical Team, the Directors of both National Parks supported by the Project, a representative of the National Nature Protection Service (NNPS), and a USAID representative.

### **1.4 Project Counterparts**

As required in the MOU, a Project Counterpart Team (PCT), was assigned in December of 2000. The counterpart team addresses the specific assignment of nationally based representatives of the Ministry of Environment and Waters, National Nature Protection Service, to specific tasks of the Project. These team members ensure more regular contact, joint project development, and communication with the Ministry.

Conservation, Protected Areas, and Management Planing  
Eco-Enterprise  
Public Awareness  
Counterpart Team Leader  
Counterpart within the Ministry

Mihail Mihailov  
Raina Hardalova  
officially vacant  
Hristo Bojinov  
Dep. Min. Iliaz

## 1.5 Work Plan and Contract Results

The Work Plan is developed in response to the Project contract and its tasks. Each task is accomplished through a set of sub-tasks. The PMU has organized these tasks and sub-tasks in logical clusters supporting a hierarchy of expected results. As a consequence, we report on six contract results packages – or distinct project themes. These include:

- Contract Result Package 1* Finalize Management Plans for Rila and Central Balkan National Parks, and deliver to the Council of Ministers
- Contract Result Package 2* Effective Management and Priority Actions of Management Plans Supported
- Contract Result Package 3* Park-related eco-enterprises demonstrated for ecotourism and natural, non-timber resources collection
- Contract Result Package 4* Mechanism for National Park Financial Sustainability Established
- Contract Result Package 5* Rila Monastery Nature Park Management Plan Prepared
- Contract Result Package 6* Public Awareness and Promotion Campaigns Implemented

Additional reporting themes are related to Project management and coordination, , Networking and Partnerships, Special Project Issues, etc.

## 1.6 Background to the Report

National parliamentary elections were held during this reporting period. The outcome of the elections resulted in a complete change in politically appointed personnel within the Project's counterpart Ministry – the MOEW. In addition, cooperating Ministries also experienced a change in both politically appointed leadership, as well as some key senior civil service positions. In particular, we note the changes in the Ministry of Economy, and Ministry of Agriculture and Forests.

Important policy elements for the Project, specifically the new Biodiversity Conservation Act, and the environmental framework law (the Environment Protected Act), underwent a period of review and revision during the reporting period, both delaying and affecting Project results, particularly related to tasks under “financial mechanisms”.

## 2.0 Results Framework

The aim of the Project is to contribute to the improved institutional framework and capacity for protected areas management in Bulgaria with benefits to communities surrounding key protected area sites.

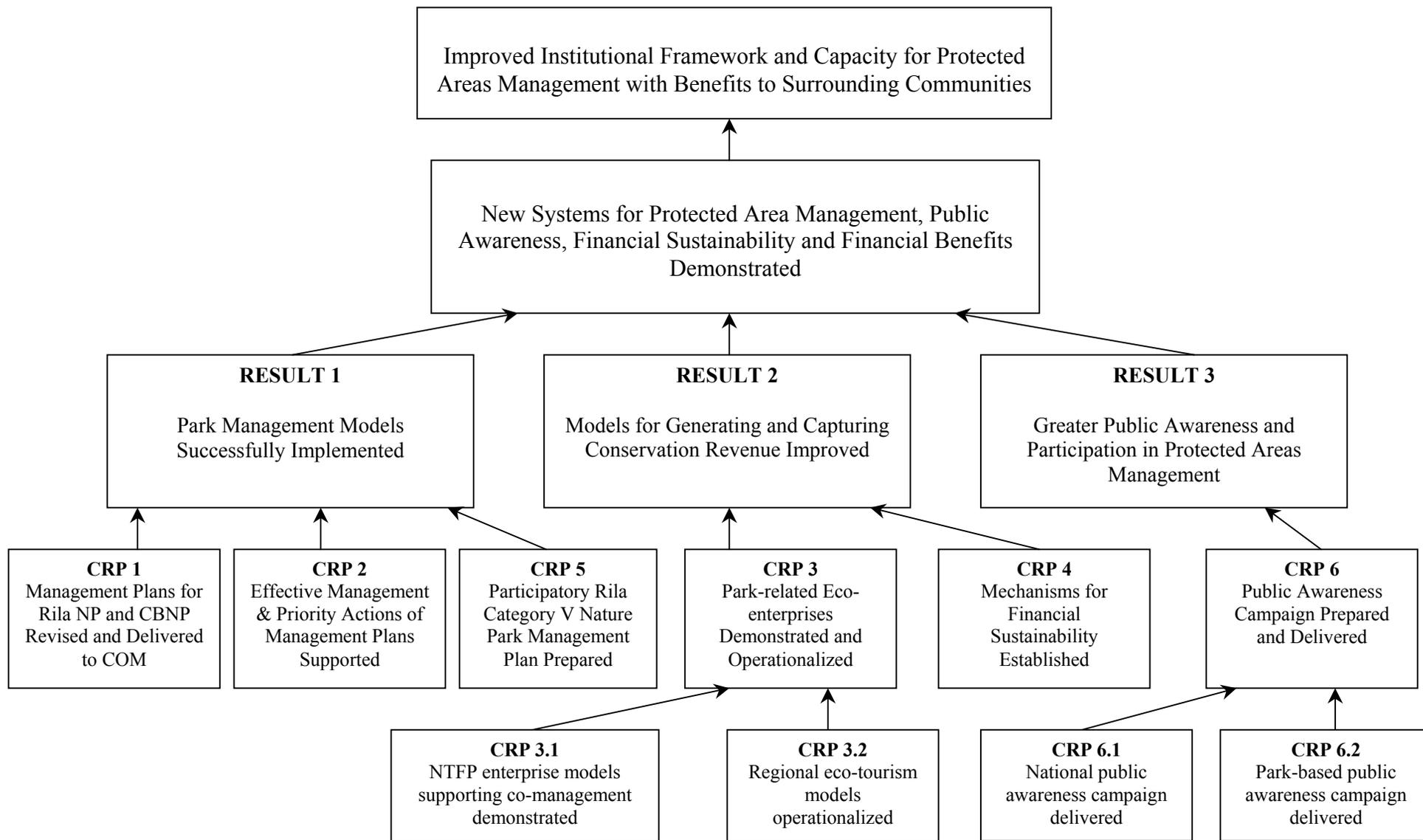
A secondary objective is to demonstrate new systems for protected areas management, public awareness, financial sustainability and financial benefits. In order to achieve this hierarchy of objectives, the Project supports **three direct results**, or outcomes:

- Park management models are successfully implemented
- Models for generating and capturing biodiversity conservation revenue are improved; and,
- Greater public awareness and participation is demonstrated in protected areas management

Project reporting is guided by the six results packages. Our annual report uses the six results package to account a set of activities covered by the reporting period, and quantifies results/activities. A narrative also describes constraints to achievement of project targets.

The Project's results are illustrated below.

**Figure 1 Results Framework**



### 3.0 Planned Activities

#### Result 1 Park Management Models Successfully Implemented

This result is supported by three (3) contract results packages. Protected area management models continue to be developed through five major areas of support – and each is related to activities and themes of this Project. The five areas include:

1. Support for development of an enabling environment (Legislative Framework);
2. Management Planning – an interactive process conducted by a multi-disciplinary team;
3. Management Plan implementation – Technical and financial support for implementation of protected area (Park) programs and projects that are identified and approved in the Management Plans;
4. Technical training and capacity building at Park level; and
5. Public awareness and information

Park management models for Bulgaria have many important indicators of success. For the purpose of reporting at the level of Strategic Objective for USAID-Bulgaria, we have selected the following indicators of successful park management model implementation:

***Number of contemporary protected area management practices adapted and implemented by Bulgarian National Park management.***

**“contemporary management practices”** are defined as a “a set of recognized international protected area management approaches that include: conservation biology, habitat conservation, management zoning, tourist management, visitor interpretation and education , conservation management in a regional and landscape context, revenue generation, and work with surrounding communities to provide education and economic benefits”.

**“adapted and implemented”** are defined as “provided in general management plans, developed in sufficient detail to effectively budget for, allocate personnel, and implemented on a pilot basis or incorporated into an operational system for the national park (s)”.

We consider the following management categories an indication of success, and monitor these activities with National Parks accordingly:

- Natural resource management activities implemented
- Tourist management and infrastructure projects implemented
- Interpretation and education programs established for tourists
- Local partnerships developed and nurtured
- Park Administrative Systems functioning
- Revenue Generating Project/activities implemented; and,
- Nature park management plans developed and approved.

Each one of these park management themes contains a number of representative projects/activities. For example:

“Natural resources management activities implemented”, would include:

- establishment of an ecological monitoring program;
- fire management and mitigation plan
- medicinal plants management plan

In order to continue our support to the development of these successful models, we are engaged in the following tasks – expressed as *results packages* – sets of tasks and sub-tasks that contribute to successful implementation of park models.

**CRP 1 Management Plans for Rila and Central Balkan National Parks revised and delivered to Council of Ministers for approval.**

Indicators	Target	Actual 4/02
Number of management plans revised and submitted to COM	2	2
Number of public hearings (programs) conducted in support of management plan approval	2	2

Management plans for Central Balkan and Rila National Parks were approved for implementation in July, 2001. Final endorsement was received from the Council of Ministers on June 28, 2001, and the Minister of Environment and Water signed both into effect on July 4, 2002. These documents are now considered legally binding policy for management of resources and activities within these two territories.

These are the **first, approved** protected area management plans in Bulgaria, and the country’s first for national parks.

These are also the first protected area management plans in Bulgaria produced using new protected area legislation and regulations for management planning.

Delays in GOB approval of management plans resulted from the following:

1. Preparation activities for national elections, and time necessary to get on the agenda of the Council of Ministers – the ultimate national approval body for park management plans.
2. Issues of concessions, the role of EIAs and transparency in concession awards – this issue affects most seriously the Pirin National Park, but was also an issue for some 13 ha in Central Balkan National Park.
3. The time needed to incorporate the public hearing results into each of the plans, and the additional task of responding to each public motive for changing the plans. (In an ideal situation, the public and government review and approval process is legislated to take a minimum of 4-6 months. Public Hearings were completed in record time in the case of these two Park plans.
4. The capacity of the NNPS to devote time and attention to the key issues of management plan, including: proposals for zoning and the interpretation of regimes and norms for zones, and the Park-wide activities (including forestry interventions and timber harvesting). **These issues continue to highlight the absence of protected area management policy.**

Two other protected area management plans were approved during this reporting period. These are for *Kolokita National Natural Feature* and for *Srebarna Lake Reserve*. This is 11 fewer than were scheduled. 28 additional protected area management plans are still under preparation. By law, these must be completed by Spring of 2003! One is for Pirin National Park (assisted by the Swiss), and the rest are for nature parks, and reserves/natural monuments.

## CRP 2      **Effective Management and Priority Actions of Management Plans Supported**

Indicators	Target	Actual 4/02
Number of annual operation plans (AOPs) guiding park management plan implementation*	4	4
Number of multi-year action plans guiding implementation of park management plans	2	2
Number of projects implemented per park management theme (5 per park)	10	14
Rila	5	7
Central Balkan	5	7
Number of public awareness strategies prepared and implemented during two year period	2	2
Number of training courses conducted in support of protected area management:		
✓ Rangers	10	6
✓ Park technical staff	7	6

\* life of project target

\*\* gray area added to qualify the difference in operations planning. Each park produced a three year action plan as part of its 10-year management plan.

### **Legislative Development and Policy Reform**

With CTO and Mission concurrence, the BCEG Project continued to provide input into matters of Government policy on the environment and biodiversity conservation.

1. Draft Biodiversity Conservation Act – because of its important role in securing biodiversity buffer zones around most protected areas; and,
2. Draft Environment Protection Act – because of its important role in supporting decentralization of environmental management, its role in describing important financial mechanisms for environmental management, and its role enabling external funding to be channeled to protected areas.

#### *Draft Biodiversity Conservation Act*

The final draft of this Act was developed under the UDF Government. The Act was challenged by the incoming coalition party shortly after national elections. This has resulted

in delays to its passage. To date, the Act is still not passed by the National Assembly. While there are no changes of substance to the draft Act, it has undergone various stages of re-development and clarification.

The Project provided support to legislative development through two mechanisms during this reporting period.

1. It worked with the NNPS and New Parliamentary Commission to supply information, clarify concepts and language, and to orient select decision-makers. The support was largely provided through project staff. The Senior Team Leader attended 6 working sessions of the relevant Parliamentary Commission and held 14 meetings with members of the NNPS and Commission to supply additional information and insight on legislative language and specific amendments.
2. It coordinated its activities with Bulgarian environmental NGOs to ensure that key issues affecting the future of a National Environmental Network remain at the forefront of the Act. This was an effective lobbying tool.

These activities were important for the eventual appointment of “biodiversity buffer zones” (areas of special designation and land use) around protected areas. The Biodiversity Act makes provision for these within a loosely defined “national ecological network”. These policy efforts have also been made to support important elements of the USAID supported National Strategy for the Conservation of Biological Diversity, produced in 1994, and adopted by Government in 1998, and to safeguard the investments of the Agency made in Park management plans and buffer zone communities.

No additional short-term technical assistance was contracted for this effort.

Important contacts were developed and are maintained with the new Chairman and Deputies of the Parliamentary Commission on Environment and Water.

#### *Draft Environment Protection Act*

This draft law replaces the outdated Environmental Protection Act of 1992, and aims at complying with EU directives. Compliance with EU environment (habitat and species) directives within national legislation is seen as a step towards EU accession.

The same delays that characterized the draft biodiversity act also characterized the drafting and passage of this Act. The BCEG Project remains engaged with discussions and development of the draft Act because of the significance it still has for describing important financial mechanisms for regions, local government and protected areas.

Results of activities conducted under CRP 3 and 4 have contributed to a strong rationale for creation and capitalization of a Park Endowment Fund. In order to circumvent the long and often tedious process of Fund establishment, the Project is working with the National Trust Eco Fund. The latter Fund’s legislative framework is provided for in the EPA. In order to ensure the relevance of this National Trust Eco Fund, its autonomy must be assured in the new EPA. It will then be able to serve as the home for a Park Endowment Fund in a quick and efficient manner.

We have been working with the new political leadership of the Ministry of Environment and Water, and the new Parliamentary Commission to assure that important aspects of this draft legislation regarding external funding, the autonomous nature of a Trust Fund, and the legal framework for a Park Endowment Fund, are secured.

At least 4 meetings with the Parliamentary Commission, and 12 meetings with a special task force formed by the Project (and reported under CRP 4) were undertaken over the course of the year.

### **Management Plan Implementation**

Management plan approval signaled an investment of USAID and GOB funds into capital development projects in both Parks. Earlier discussions with both Park Directorates and NNPS ensured that USAID project funds were coordinated with capital development funds available from the National Environment Protection Fund – an extra-budgetary fund of the MOEW. Annual Operations Plans, developed with BCEG Project technical advice, serve to guide park activities and capital investment.

National Parks operate fiscal budgets beginning in January of each year. The GOB continues to cover all operating cost for national parks. Capital development costs and projects are paid from three sources: international donors (USAID, Swiss), and the National Environment Protection Fund (income generated by pollution fines, environmental taxes and levies). These sources were augmented this year with successful grant applications to the National Trust Eco Fund (for Central Balkan National Park) and national and regional grants (Central Balkan and Rila).

### **Rila National Park Annual Budgets:**

Proposed		Actual	
Year <b>2001</b> TOTAL:	<i>749,940 BGL</i>	Year <b>2001</b> TOTAL:	<i>704,333 BGL</i>
MOEW	<i>506,840 BGL</i>	MOEW	<i>495,934 BGL</i>
NEPF	<i>243,100 BGL</i>	NEPF	<i>209,399 BGL</i>
USAID contribution	107,500 BGL	USAID contribution	77,988 BGL
Year <b>2002</b> TOTAL:	<b>879,777 BGL</b>	Year <b>2002</b> Total	to be tracked
MOEW	<b>501,489 BGL</b>	MOEW	
NEPF	<b>265,550 BGL</b>	NEPF	
Other		Other	
USAID contribution	112,738 BGL	USAID contribution	-x- BGL

**Central Balkan National Park Annual Budgets:**

Proposed		Actual	
Year <b>2001</b> TOTAL: BGL	781,068 BGL	Year <b>2001</b> TOTAL:	710,623 BGL
MOEW	457,760 BGL	MOEW	416,613 BGL
NEPF	255,000 BGL	NEPF	230,702 BGL
National trust fund	63,308 BGL	National trust fund	63,308 BGL
USAID contribution	107,500 BGL	USAID contribution	76,529 BGL
Year <b>2002</b> TOTAL:	<b>751,344 BGL</b>	Year <b>2002</b> Total	to be tracked
<b>MOEW</b>	<b>413,212 BGL</b>	MOEW	
<b>NEPF</b>	<b>246,800 BGL</b>	NEPF	
<b>Other</b>	<b>97,532 BGL</b>	Other	
USAID contribution	130,771 BGL	USAID contribution	-x- BGL

USAID's most significant contributions were to the development of tourist infrastructure – trails, signboards, entrances, interpretive areas, information centers, and tourism management activities. These are designed to support a significant purpose of Bulgarian national parks, and are high profile activities for USAID. In addition, some of these activities are directly linked to the development of ecotourism plans in adjacent communities and Project pilot areas.

Other Park projects focused on public awareness, information, and education, as well as ecological monitoring, waste (solid and water) management, and NTFP/NTNR resource assessments.

All Park projects employed the successful model of “project proposal development and project management and monitoring” so successfully introduced during the USAID supported GEF Biodiversity Project. Each Park develops a proposal to pre-determined formats, goes through a review and approval process, and manages activities, budgets and their reporting. Local procurement is managed according to USAID and national park procurement procedures, and vendors selected competitively. This procedure has contributed to important cost savings, and reinforces GOB/donor project management and procurement procedures. It is also an important part of building capacity within Park Directorates. Finally, all Park projects defer to local procurement - goods, services, and community labor – thus helping to develop local credibility and to generate income and revenue sharing locally.

The Parks' projects were funded and initiated during this reporting period. Some projects are completed (as indicated) while others continue their implementation into the next summer season. New Projects are indicated. These were selected for support in association with the MOEW/NNPS and Park Directorates.

The complete list of Parks' projects is attached as Appendix 1.

**Geographic Information System for both National Parks, and the NNPS**

Focusing in large part on the GIS needs assessment conducted during the previous project work plan period, the BCEG Project completed the following GIS activities for the reporting period May 2001-April 2002.

<b>Activity</b>	<b>Reporting Quarter</b>	<b>Product (s)</b>	<b>Number of Trainees</b>
1. Geo-reference System for GPS units	Aug-Oct 2001	Transformation software of Bulgaria Topographic information into WGS84, This allows GPS readings to be located on the national grid system.	N/A
2. GPS unit procurement	Aug-Oct 2001	6 Trimble units	N/A
3. Park staff Training	Aug-Oct 2001	Theory and practicum in GPS unit field use	13 CBNP Park staff 12 RNP Parks staff 2 National staff from the NNPS and Env. Executive Agency
4. Land Commission Files Auto Converters	Aug-Oct 2001	Ability to convert land commission files for national park boundary definition between different computer formats and the National Parks Auto Cad LDD formats. This format supports each Park's GIS, and the NNPS GIS for national parks	N/A
5. GPS specialized training	Nov-Jan 2002	Experts from both parks and the NNPS were trained in using GPS reference files and their incorporation into each Park's GIS. 3 User guides in Bulgarian, for Trimble Units GeoExplorer 3 GPS receivers; Pathfinder Office software, and working with transformation software for data referencing.	6 experts
6. Park Zone Maps Digitization	Nov-Jan 2002	Both Park's zone maps are digitized and incorporated in the each park's GIS per instruction of the MOEW's higher expert council.	2 experts
7. Preparation of Base Maps for Digitized models of key park entrances and reserve entrances	Feb-April 2002	Digital maps for CBNP tourist entrances and reserve entrances produced for park-wide tourist signboards	N/A

**Consultant Support**

The Project retains the technical services of a GIS consultant. Mr. Ivan Kountchev, as a GIS advisor to NNPS and Parks. These results contribute directly to the two primary objectives of the last work plan, namely,

- (1) training National Park staff in the use of GPS units, and GPS applications to field work during the summers of 2001 and 2002;
- (2) standardization of park information management, including formats and exchange of information between NNPS and the Directorates.

**Ecological Monitoring**

For the last four months, the BCEG Project has been working with the Executive Environmental Agency, NNPS, National Parks and select Experts from the Bulgarian Academy of Sciences to develop and refine a national parks ecological monitoring strategy and system. This is a requirement of both national regulations and EU directives. At present there is no biodiversity monitoring system for the country, let alone national parks. Biodiversity inventories are not linked to a national ecological or biodiversity monitoring plan. Authority to manage and maintain such a system rests with the Executive Environmental Agency (EEA), a parastatal agency of the MOEW.

<b>Activity</b>	<b>Reporting Quarter</b>	<b>Product</b>	<b>Number of Trainees</b>
1. CBNP and RNP field trips	Feb-April 2002	Preliminary design criteria for eco-monitoring system developed with park experts	6 CBNP 5 RNP
2. Coordinating meetings with NNPS and EEA	Feb-April 2002	Preparation of first national Workshop design on biodiversity monitoring/ecological monitoring for national parks	
3. Eco-monitoring system for national parks	Feb-April 2002	Draft strategy, rationale, indicators, monitoring roles and responsibilities, and criteria for selection of eco-monitoring sites in each Park;  Draft ecological monitoring strategy for national parks and biodiversity  Monitoring action plans	33 participants from CBNP, RNP, Pirin, NNPS and EEA hosted and conducted by the BCEG Project

## **Additional Training for and by National Parks using USAID funds**

### *A. Ranger Training*

Description: 3 ranger trainings took place in September and October 2001. Three- 2-day sessions trained 45 park rangers and 6 section heads. The training was led and conducted by 6 experts from the National Park Directorate HQ. The first component of each part of the training included presentation of the Management plan's objectives, philosophy and structure. During the following sessions all park zones were presented and the regimes, norms were discussed for each of them. The park director, deputy director and members of the expert staff gave the presentations. The last part of the presentation was assigned to a brief introduction to the Programs and projects included into the MP. The second component of the training addressed questions and concerns arising from enforcing each zone's regimes and norms, case studies and scenarios for solving different problems with the help of the prescriptions of each zone in the MP.

Results: 51 Park staff discussed and proposed procedures and registration forms for issuing annual and temporary permits for vehicles access to the park territory. They developed skills for solving different cases on the bases and implementing the Management plan prescriptions. A list of actions was prepared for announcing the Management plan's zones and required regimes and norms to the public (different target groups).

### *B. Eurosite Workshop 67 – Stakeholder Involvement in Nature Management Planning*

Description – 2 trainees – Dimitrina Boteva (BCEG Project Biodiversity Specialist and Svetoslav Apostolov, NNPS, (replacing Ivailo Zafirov at the last moment) were sponsored by the Project to a Eurosite Workshop in Szczecin, Oder Delta, Poland, between March 20<sup>th</sup> and 24<sup>th</sup>. They were joined by 23 participants from 11 countries in eastern and central Europe. The BCEG Project experience was presented on: “Public Hearings – Tools for Stakeholder Involvement in Two Bulgarian National Parks Management Planning – Case Studies from Rila and Central Balkan National Parks”.

Results – Eurosite tools and experiences for protected area management and stakeholder involvement are assembled as a regular part of the Eurosite network. This is the first time that Bulgarian nature protection and park management case studies have been incorporated in the network.

A profile of the workshop and its participants list are included as Appendix 2.

**CRP 5 Rila Monastery Nature Park Management Plan Prepared**

Indicators (life of project)	Target	Actual 4/02
Number of stakeholder workshops	5	3
Number of public awareness events held in support of management planning	3	2
Number of management plans prepared	1	0

The Core Planning Team conducted the following activities during the last reporting year:

Activity	Dates
1. Rapid Ecological Assessment workshop – to supplement and fill gaps in biodiversity significance, socio-economic dependence, and resource use, as well as tourism dynamics. 23 participants from key disciplines and stakeholder institutions were introduced to this assessment technique. The workshop resulted in an action plan for REA on the territory of Rila Monastery Nature Park for the summer of 2001.	May 23-25, 2001
2. Press Conference – official launching of the Rila Monastery Nature Park management planning effort and introduction of team members, stakeholders and management planning approach.	June 11, 2001
3. Launch Workshop – for all institutional stakeholders connected with the territory. 25 organizations were oriented to the purpose, approach, and content of the management plan.	June 27, 2001
4. Rapid Ecological and Socio-Economic Assessment Teams deployed to the field over the course of 3 months. Some 1000 person days were engaged using four institutional contracts to collect, and analyze data from the Nature Park. <b>Results demonstrate that Rila Monastery Nature Park is among the top three biodiversity conservation territories in the country.</b> This is the first use of this technique in Bulgaria, and among the first in temperate ecosystems. Information collection was supplemented by the use of GPS units for geo-referenced data collection – also a first for park planning.	June- September 2001
5. Stakeholder Consultations – Every stakeholder received a personal visit for purposes of information gathering and to assess expectations	July 6-16, 2001
6. Consultations held with the Bulgarian Orthodox Church representatives to secure their participation in the Plan.	October, November, December 2001
7. Meeting with Deputy Minister Iliaz, to ensure clarity of Government position on Rila Monastery Forest Reserve and to engage Government in obtaining Church participation.	October 15, with USAID
8. Rapid Assessment analysis Workshop – 29 specialists presenting the results and analysis of their interdisciplinary field work. Assisted by visiting BCEG consultant Steve Dennison. Preliminary resource valuation and financial values of key resources identified.	October 3-6
9. Rila Monastery Nature Park Data base for biodiversity completed	October – January 2002
10. Appointment of Special Commission by the Minister of Agriculture and Forests to determine ownership and construction rights on more than 20 buildings within the territory. Resulting protocol leaves Rila Municipality and Monastery still at odds over plots and construction within the Monastery/Nature Park territory. Restitution of land to Monastery still incomplete. Project receives results of special commission in January of 2002.	October 2001

Activity	Dates
11. Special presentation to representatives of the Synod of the Bulgarian Orthodox Church on the management planning process, results to date, and opportunities for engagement in the management plan effort.	December 13, 2001
12. USAID host inter-ministerial meeting to address issues of Church participation in management plan development. USAID Mission Director hosts delegations from the MOEW and MOAF to agree the importance of Church participation in the Management plan, and to secure Monastery/Church participation in plan. Results of the meeting help the BCEG Project to secure direct access to planning materials that have not previously been forthcoming from the MOAF.	January 16, 2002
13. Digital model of Agroles Forest Inventory 2000 finally secured. This model contains the most up-to-date inventory of forest resources on the territory, and is the basis for more than half the Nature Park territory's data base. It is an essential planning tool. It is also a MOAF deliverable under the TOR guiding the management plan.	February 2002
14. Special meeting of MOAF and the Church convened at the MOAF with BCEG Management Planning team. Dimension of the plan process reviewed. Gaps in planning information identified, and Church expectations expressed. Result – there is no accurate land record of Church property. There is no map that yet illustrates the Church property in relation to the Nature Park. MOAF promise assistance and assign full-time advisor to Abbot of Rila Monastery. Deputy Minister Ploukchieva presiding.	February 2, 2002
15. National Press Conference on the results of the Rapid Ecological Assessment.	February 11, 2002
16. Letter received from Holy Synod, Bulgarian Orthodox Church, confirming the willingness of Church to engage in aspects of the management planning effort. Synod appoints to representatives to maintain the Church's interests as the Plan develops. Abbot John and Archbishop of Lovech appointed.	March, 2002
17. Appointment of GIS contractor to resolve and configure new Rila Monastery Nature Park data-base and graphics. The resulting GIS will be an important management planning tool.	March 2002
18. First management planning meeting with Synod/Church representatives. Abbot expresses distrust of all Government engagement openly. Expresses strong desire to have all lands of Monastery included with the Nature Park, and wishes to secure new boundaries accordingly.  Boundary discrepancies between Land Commission files and Government legal gazette of the territory indicate a difference of some 2,100 hectares in total area of the Nature Park (smaller). Monastery lands make up all but 1,230 hectares – the balance originally part of the land cadaster for the small communities of Padala and Pastra. Balance of Monastery territory comprises 3, 676.5 hectares of State Strict Nature Reserve.  Large gaps in the land registry for the territory are discovered in the Agroles project data. While this accounts for the discrepancy of more than 2, 100 hectares in total area, Nature Park boundaries are still not fixed.  RESULT – Inaccurate and unresolved boundaries leave the door open for revisions to boundary location, territorial size, and delays in land restitution. The matter is referred to the MOAF – Land Commission for action and resolution.	March 28, 2002
19. New Commission delegated to resolve territory and boundary discrepancies between land commission files and unresolved cadaster for the Monastery territory. The Rila Monastery Nature Park management planning team is not invited to the Commission deliberations until May 2002	April 2002

### **Short Term Technical Assistance**

Two trips were made by international consultant, Dr. Steve Dennison, in support of this CRP – one for REA training and the development of formats for a financial assessment of the territory; and the second to review and analyze results.

4 CCN-STTA are hired to manage and supervise the management planning process. They are Dr. Dimitar Peev, Dr. Petar Yankov, Ms. Sneshana Kostadinova, and Mr. V. Velichkov. They are assigned to the management plan's development during its entire development.

Several local purchase orders are issued in favor of Bulgarian institutions and companies for the collection of resource baseline information. These include the Institute of Botany, Institute of Zoology, National Natural History Museum, and Analytical Creative Group.

Short term contract (purchase order) was issued in favor of a firm that develops, manages and operates the Nature Park's Geographic Information System.

**Issues** – The most significant issues that still confront the management planning process is the unresolved boundaries, land restitution, and private owners on the territory of the Nature Park. Various parties are exploiting boundary issues and ownership rights, and delaying restitution and park boundary confirmation.

While all stakeholders have been successfully engaged in the preliminary processes of management planning, we still believe that the matter of land restitution to the Church/Monastery figures prominently. This matter was not resolved when the Rila National Park area was re-categorized a Nature Park in March of 2000. At that time, there was significant political will to maintain the area as a territory of high conservation value, with the regimes of a National Park.

The re-categorization of the territory failed to acknowledge the rights and responsibilities of such a significant landowner, and did nothing to clarify issues of private ownership of lands and buildings since 1946.

There will be two issues that must be addressed by Government. Both fall outside the scope of this Project, and its terms of reference. (1) changes to the boundaries of the territory; (2) the legal rights of private owners on land that is restituted.

During the next plan period, the Project will have to develop scenarios for RMNP that address the future management of the territory in the absence of clear institutional roles and responsibilities, clear territorial definition, and without resolution of ownership rights on restituted land.

The Plan must address the limited management capacity with the Nature Park Directorate, the absence of capacity in the Monastery to manage its lands, and the absence of national, budgetary resources to commit to the Park's management and operations.

We believe that the product of planning remains a valuable tool for the future definition of management objectives, roles and responsibilities of the territory. We maintain that this is the only way the USAID can protect its investments to date, and possibly ensure the highest level of conservation for this significantly biodiverse territory, in the remaining time of the Project.

## Result 2 Models for Generating and Capturing Biodiversity Conservation Revenue are Improved

This result is supported by two contract results packages – **Eco-enterprise, and innovative financial mechanisms**.

The activities selected as part of **eco-enterprise** have been developed using contributions from both national park directorates. These pilot activities support models and are test cases within, and outside, National Parks. Most were determined during management planning for both parks, and with the information collected from three years of socio-economic surveys. We believe that two eco-enterprise themes represent the best opportunity to:

- Maximize the partnerships between National Parks and their local, municipal constituencies;
- Address very real needs as expressed by local community members;
- Directly relate park management objectives that stress nature conservation **and** provide benefits to local communities;
- Generate direct income and support enterprise development in target communities selected with National Parks;
- Coordinate in-service staff development, technical specialization, and project results with the roles of Park Directorates.

The BCEG Project is supporting the development of pilot activities addressing **ecotourism, and non-timber natural resources collection**.

The BCEG Project continued to work with two Bulgarian subject matter specialists during this annual reporting period. They act as intermittent technical advisors to the pilot areas. Both subject matter specialists (one for ecotourism, and one for non-timber natural resources) continue to provide advice and technical direction for the remaining life of the Project.

### CRP 3 Park-related eco-enterprises demonstrated for ecotourism and natural, non-timber resources collection

Indicators for NTFP/NTNR (CRP 3.a)	Target	Actual 4/02
Number of NTFP/NTNR groups formed	2	2
Number of areas managed by co-management agreement	2	2
Number of training events delivered	5	2
Number of park-based regional consultative workshops	2	4
Number of income-generating projects	2	NB
Indicators for Eco-tourism (CRP 3.b)	Target	Actual 4/02
Number of eco-tourism forums (initiative groups) developed	2	2
Number of eco-tourism strategies prepared	2	
Number of eco-tourism projects demonstrated	2	

*NB. Implementation of these tasks resulted in a considerable shift to the Project small and medium enterprise strategy.*

### 3a. Non-Timber Natural Resources (NTFP/NTNR)

Development of both management plans pointed to the subsistence, historical and commercial dependence of Bulgarians on renewable natural resources from National Parks and their watersheds. Rather than preventing access and harvesting of these resources, both national park management plans aim to maintain sustainable harvesting of these resources. Preference is given in this approach to local communities and local enterprises. Unfortunately, some of these resources have been subject to poor regulation, in particular over the last 10 years. Both viable and endangered populations of plant resources can be considered under threat.

Bulgarian mountain natural resources are finding markets in Europe, and farther afield. Large European companies, operating through Bulgarian companies and buyers, support a multi-million-dollar annual harvesting of medicinal plants, aromatics, mushrooms and berries. Few benefits are realized by local communities, and limited value is added to these natural products in-country.

In order to begin a program of sustainable harvesting of mountain natural resources, the BCEG Project embarked on a pilot program of non-timber natural resources co-management. The program is made up of five phases:

**Phase 1** – is aimed at forming a national-level working group to develop/refine the Pilot program strategy, and to develop the tools and methodology for focused information collection. Working group formation has already commenced, with participation from national and park levels – final composition of the team was determined during this reporting period, and held six national meetings to discuss policy and the national regulatory framework.

**Phase 2** – was devoted to information collection and analysis regarding pilot areas, communities, markets, technologies, and a “supply chain” analysis. The supply chain analysis was completed during the summer collection season of 2001. It was supported by pilot area data collection on communities and resource use patterns, and a market analysis for **blueberries** at local, national, and international levels. In addition, the Project supported a Park-Collectors resource assessment of blueberries (*Vaccinium spp*) during the Summer collection season of 2001. This assessment pioneered the first medicinal plants assessment methodology in Bulgaria; it also conducted the assessment with resource assessment teams comprise of botany specialists, park staff, and community collectors.

Organic certification was also reviewed for its application in to resource conservation and management in this model. There are limited, opportunities at present, however, for Park’s to engage in a program of organic certification. More importantly, this should be the responsibility of the private sector, especially in the morass of European certification systems that are evolving.

The national working group analyzed the results of these information-gathering exercises between September and October 2001. A national meeting in October 2001 was used to announce the results and recommendations for a change to non-timber natural resource conservation and management in national parks.

The analysis, however, did not support a small enterprise approach. The local and national markets are too tightly controlled to offer local investors a competitive advantage, and the supply chain shows every indication of consolidation.

Instead of a SME approach, the Parks and the Project began to examine a three-pronged approach of resource regulation and institutional coordination, public education and training, and commercial concessions/contracting.

**Phase 3** – was devoted to developing and promoting an experimental system of improved resource management. The strategy consists of:

- a brand new permit system for all collectors, irrespective of commercial or personal collection. The use of collection permits is another first in Bulgaria. The experimental program will provide all collectors of blueberries with free coupons for collection of the resource. These will be available from all buyout points, from Park staff, and from appropriate chalets. The experimental permit system will be implemented during the summer collection season 2002. The permit coupon is the eventual basis to control resource access and amounts, as well in income generation from permit fees;
- a public information, ranger training, and collector training program for the pilot areas regarding conservation, management and monitoring of NTFP/NTNR from the pilot areas. There are four aspects to this campaign: (1) confirmation of this season's strategy with community groups, local government, and buyers; (2) development of the PI campaign with Parks and select community representatives; (3) training of rangers in resource conservation and management techniques that include monitoring, law enforcement, conservation resource identification; (4) implementation of collaborative management agreements between Parks and Community collectors prior to commencing the new collection season. These will consist of public information campaigns, coupon distribution, resource assessment exercises, coordination with the Regional Environmental Inspectorates responsible for buyer licensing, collector monitoring, and educational materials.
- The final element of the NTFP/NTNR "paradigm" will be to engage commercial collectors in eventual concession (commercial collection) contracts for specific areas, for specific resources, and for specific amounts, using to the collection permit system to control access. The benefits (income) that accrue from these collection contracts, instead of being collected as annual fees could be viewed as social investment capital into local collection communities. Concession could be awarded to companies offering Parks and local communities the best social (employment, value-adding activities, as well as social welfare) programs as part of their concession application. In this case, only application and tender fees would apply.

**Phase 4** - implementation and monitoring of these actions (harvest seasons 2002).

In March of 2002, The NNPS took the decision to allow the Parks pilot program to implement the recommendations on an experimental basis. This next phase in the NTFP/NTNR pilot program will eventually have the following implications to national policy, and institutional collaboration:

- a. the experimental use of collection permits is the nation's first attempt to regulate areas of collection and quantities. The experimental permit system highlights the inability of the Medicinal Plants Act to distinguish between collection for personal and commercial use. The present limits of 10 kg/person/day for personal use can not be distinguished from commercial collection, as they are virtually the same. There is no incentive to report these amounts accurately, and no accurate record of amounts collected, or their source. Changes will eventually be needed to the Medicinal Plants Act.

- b. Commercial collection permits issued by Government authorities bear no relation to where they are collected. It is possible for buyers of NTFP/NTNRs to purchase commercial collection permits from other land management departments (Forestry, for example) that bear no relation to their source and origin. The present system is again a disincentive to resource management and conservation. It also represents lost annual revenues to the National Parks.

These issues must be addressed as part of Phase 5.

**Phase 5** – lessons learned and implications for organizational, policy/legislation, investment, and enterprise development issues (late fall 2002)

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The results of this analysis are reflected in a major project report published in January 2002, entitled, *Non-Timber Natural Resources and National Parks*.

### Role of the Project

The Project continues to support the efforts of NTFP/NTNR technical experts in the two parks, as well as the NTFP/NTNR management activities of each pilot area section head. This amounts to travel and per diem for two employees from each park's pilot areas.

The Project provides expert technical assistance through an intermittent consultant hired specifically to provide guidance and to support practical activities in the two pilot areas. Chavdar Gushev, NTFP/NTNR specialist, is providing this technical assistance.

Business enterprise development specialist, Jared Hardner, conducted three consulting trips for NTFP/NTNRs during this reporting period – August, October, and March.

The Project supported the costs of all information collection, community and national meetings, as well as all travel and per diem costs related to interviews with the private sector.

### **3.b Ecotourism Pilot Sites**

Since the start-up of the ecotourism component of the BCEG Project, the following activities, and outputs are noteworthy:

#### Focus Group Discussions

As part of the finalization and review of both Park Management Plans, the BCEG Project organized and hosted several focus group discussions on ecotourism in both Parks. Focus group discussions were hosted by their respective national park directorates, and were located within the pilot areas for both pilot projects.

#### Formation of Local Ecotourism Initiative Groups (EIGs)

**May-June 2001** – Each Park has formed a local, informal collection of interested parties. These groups are the cornerstone of a more engaging process that: (a) examines local

opportunities and constraints; (b) identifies local projects in conjunction with national parks that add value to tourist services and facilities in the pilot sites; (c) identify business development and organizational needs; (d) develop marketing and promotion packages in support of pilot ecotourism activities.

### Tourism Inventories and Catalogs

Tourism inventories of goods, services, facilities and features outside the national park were completed under the GEF Biodiversity Project. Some of these inventories have been turned into catalogs – both hard and soft copies – for use and promotion by each Park and its local ecotourism initiative group partners. Two catalogs were completed for the two pilot areas supported by the BCEG Project. Catalogs for the Samokov area (Rila National Park) and Karlovo area (Central Balkan National Park) were completed with the inputs of each EIG. They serve as the basis for ecotourism product development, marketing packages and promotional materials.

**June 2001** – 13 MBA consultants from The George Washington School Business, provided consulting services during a practicum in both pilot sites for two weeks in June of last year. Their situation analysis and assistance to EIGs helped to both consolidate existing ecotourism enterprise schemes, as well as develop new ecotourism products and marketing concepts. The results of these consultations were presented to the national working group, USAID, and EIG members at the American Information Center in Sofia at the end of their assignment. The group was supervised by BCEG Ecotourism Consultant, Professor Don Hawkins. The Project covered the in-country maintenance costs of the 13 practicing consultants.

Their reports form the basis of ecotourism product development and marketing plans for each pilot area and EIG.

**October 2001** – Catalytic events are used to consolidate the cooperative planning and execution of ecotourism activities – goods, services and accommodation in each National Park. The catalytic events focus on Park celebrations – 10<sup>th</sup> anniversary in the case of Central Balkan National Park, and new tourism infrastructure at the gateway of Maliovitza, in the case of Rila National Park. The events are used to successfully launch the cooperative activities and result in marketing materials and products offered to the public. Both events are attended by Government and international personnel.

**November 2001** – US Study Tour. 6 EIG members (three from each pilot area), and two National Park tourism staff from each Park are joined by two Government tourism personnel on a 2 –week study tour of Washington DC and Tennessee. Conducted with the funding of the USAID/TRANSIT program, administered by World Learning, the Study Tour was hosted by a team of the University of Tennessee. The Study tour focused in particular in rural and community tourism initiatives linked to eastern Tennessee, links with the state and national parks system, and the State Government's approach to matching grants, promotion and marketing for rural tourism development and investments.

The 12-person team was joined by ecotourism intermittent consultant, Nellie Georgieva, on behalf of the BCEG Project. Nellie used this opportunity to help each study tour member to focus on a set of predetermined specialist themes, and to coordinate each members action plans on return to Bulgaria. Her report is attached as Appendix 3.

**January 2002** – FLAG/UD and the BCEG Project successfully co-host a introduction to business planning and enterprise development for 13 business concepts related to the two EIGs.

**January 2002** – 2 members from each Ecotourism Initiative Group attend a specialist training course sponsored by the Ministry of Economy under a bilateral program of support with the Spanish Government. The training course focuses on product development.

**January 2002** – Samokov Ecotourism Initiative Group presents the results of its participation in the US Study Tour, and its community ecotourism action plan to the municipality of Samokov. USAID Mission Director and the Minister of Environment and Water attend.

**February 2002** – Ecotourism Competitive Cluster Concept developed and introduced to the GOB and select members of the donor community following the country's first national ecotourism consultative workshop. The workshop is used to conduct a situation analysis of ecotourism growth and development in Bulgaria as its own competitive cluster. The workshop confirms the need for a specialized national ecotourism strategy to be developed in concert with a National Tourism Development Strategy, resulting from new tourism legislation.

21 national, regional and local ecotourism practitioners, representing some 18 different ecotourism initiatives related to protected areas in Bulgaria are represented. The results form the first National Ecotourism Working Group.

The concept of a National Ecotourism Conference is developed.

**February 2002** – Project sponsors national parks participation in a Macaulay Institute Workshop on Options for Local Biodiversity Management in Protected Areas in which ecotourism development features. Vitosha Nature Park,, February 8-10. National Parks are represented by 6 professional staff and 2 BCEG Technical specialists as the workshop address themes of biodiversity conservation and economic growth in the Bulgarian protected area system. 42 participants are drawn from Bulgarian and western European protected area managers. Both the NTFP/NTNR and Ecotourism models are presented.

**March 2002** - National Ecotourism Event – Ecotourism, mountains and protected areas: Partners for Prosperity, event concept launched with GOB and USAID. This is the first national event dedicated solely to the theme of ecotourism development and policy in the country. It proposes to draw heavily on the experiences of the many ecotourism practitioners in the country. It will also be used to present a draft national ecotourism strategy for Bulgaria. International and senior national participation is expected. The event is scheduled for October 2,3,4, in Sofia.

**March 2002** - National Ecotourism Working Group established and operating with the National Ecotourism Event as the focus.

**March 2002** – Ministry of Economy formally invites the BCEG Project to lead the process and develop the first national draft ecotourism development strategy.

**March/April 2002** – Market Survey – Bulgaria's first national ecotourism domestic market survey is launched and completed. The survey consists of focus groups results from different age and income groups, plus a representative survey of potential clients from Bulgaria's

largest cities. Finally, the survey includes 20 top tour operators in the country. The results of the survey work are to be used to help in product design, pricing, marketing, and publicity for the Ecotourism Initiative Groups.

**April 2002** – Negotiations with the University of Sofia’s Tourism Studies department are successfully completed. Between April and August, the Department’s private sector company will conduct data collection related to success and impact indicators for ecotourism in the two park pilot areas. Tourism professionals from the faculty will work with masters’ students, local tourism vocational schools, and Ecotourism Initiative Group members to both confirm indicator selection and prioritization, as well as the means by which the information will be collected. Both the results of this data collection and the approach used to develop and investigate indicators will be the subject of a specific session at the National Ecotourism Event in October. This is the first, concerted effort to measure impacts from ecotourism development in the country.

**April 2002** – A member of the Samokov Ecotourism Initiative Group is approved for the first commercial loan application based on her business plan developed under the auspices of the BCEG Project, and with the technical support of FLAG/UD. The difficulty of securing small loans, with preferential terms and grace periods, is highlighted by small business efforts over the last three months. Of thirteen business concepts, only 3 are considered to merit further development for commercial loan application. To date, only one has succeeded.

The role of small and micro capital investments and commercial financing aspects of ecotourism development in Bulgaria will be examined in more depth during the National Ecotourism Strategy’s development, and the National Ecotourism Event.

### Role of the Project

The Project continues to operate under the supervision of a national working group comprised of NNPS, Park Directorate, consultant and Project staff. They guide the activities of the ecotourism component of the Project.

The Project continued to support the technical services of intermittent consultant Nellie Georgieva. Nellie provided technical assistance and facilitation of EIG activities in each pilot area. She conducts monthly meetings with each EIG, and is responsible for coordinating development of grant applications to national granting bodies. Two grant applications were submitted under her supervision – (1) to the Dutch small grants program; and (2) one to the DemNet/Time Foundation small grants program. The latter grant application resulted in financial assistance for registration and promotion of new Tourism Associations in each of the pilot areas. The Dutch grant application, specific to the Kalofer Ecotourism Initiative Group, will receive a response in July 2002. This component of her work also corresponds to capacity building in national parks for fundraising, and is one of the financial mechanisms,

Professor Don Hawkins conducted three visits to the Project during this period, with two paid for by the Project – May 2001, (with MBA consultants), September 2001, and March 2002. One additional assignment of 14 days was conducted entirely in the USA.

The Project continues to support the efforts of tourism technical experts in the two parks, as well as the tourism management activities of each pilot area section head. This amounts to travel and per diem for two employees relative to each park’s pilot areas.

The Project supported the costs of all information collection, community and national meetings, as well as all travel and per diem costs related to intermittent consulting services. Only limited financial support is provided to EIGs, and only for development and printing of marketing and publicity materials. Almost all local meeting costs, and actions requiring communication, transport, and coordination between members are covered by EIG members on a voluntary basis.

### Role of FLAG/UD

FLAG/UD, a USAID contractor for enterprise development, has been cooperating successfully with the BCEG Project on three important aspects of the ecotourism model: (1) basic business/enterprise development planning training; (2) technical assistance with business concept screening; (3) technical assistance with specific business plan development for commercial local applications. While the informal nature of cooperation between the two projects is productive, neither has really programmed to work with each other. FLAG/UD was never part of the ecotourism models development, nor can it be expected to dedicate expertise to this competitive cluster when this model is not really capable yet of responding to commercial capitalization conditions and/or venture capital requirements.

Instead, the relationship has helped to highlight the difficult role of private/commercial sector financing for ecotourism at this level. It has also helped to highlight some of the impediments at national level for financing of small and micro loan projects. FLAG/UD remains interested in continuing to nurture this model as evidenced by their role in the pilot program's first commercial loan success. They have also pledged to engage in the National Ecotourism Event, as well as in its partial financing.

### National Institutional Links

Formal contacts were established by the BCEG Project with:

- The National Tourism Department, and the Deputy Minister of Economy, responsible for tourism.
- The Bulgarian Association of Alternative Tourism (BAAT)
- The Bulgarian Association of Travel Agents (BATA)
- Bulgarian Association of Rural and Ecological Tourism

### Regional Associations

- Regional contacts with the Karlovo Tourist Association and Information Center, the Velingrad Business Center, the Majoravo Conservation Center in the Eastern Rhodopes, and several centers connected with the wetlands of the Black Sea Coast and Danube, were established.
- Pirin Tourism Forum – Pirin/Rila Watersheds, operated with international donor support and promoting regional tourism development with a strong rural and cultural focus.
- Stara Planina Association/Interassist – Traditionally supported by the Swiss, this association of townships and municipalities on the north slopes of Central Balkan National Park, has renewed its efforts to link activities with the National Park Directorate.

**CRP 4 Mechanism for National Park Financial Sustainability Established**

Indicators	Target	Actual 4/02
Number of policy constraints addressed ( <i>resulting in changes to income generation and long-term park financing</i> )	4	4
Number of innovative financing mechanisms developed and tested	2	4
Number of support workshops organized and facilitated	8	4
Number of mechanisms established	2	0

The change in the status of the National Environment Protection Fund from a extra-budgetary fund, to a budgetary fund, had the biggest impact to this CRP and project activities.

**Policy Constraints** – Changes to the status of the Fund were introduced by the new administration as part of new fiscal management policy. These changes took effect in January 2002. This change in status no longer provides a fund vehicle, nor a funding window within the Fund attractive to donors; nor does it provide a mechanism with sufficient accountability and transparency. There are no opportunities, therefore, to provide legislative changes to the Environment Protection Act, addressing the composition and structure of the NEPF.

The NEPF, on the other hand, has now incorporated a line-item budget category for National Parks within the Fund, thereby securing a place in the annual park budgets for management plan implementation of projects and capital costs.

Thus we have addressed policy constraints at the level of legislative reform, the development of secondary regulations governing budget expenditure and accounting, and we have attempted to address establishment of a new mechanism with the NEPF – a revolving fund -to attract capital investment in parks goods and services. Changes to the status of the NEPF largely negate these efforts. However, the Parks are assured of a annual funding allocation and revenue generation window, so that costs and benefits associated with Parks can be better understood, monitored, and linked.

**Park Promotion and marketing materials** – the concept of a revolving fund within the NEPF, and subsequently the use of venture capital funding for novel or promising park enterprises has been stopped in light of the changes to the NEPF. It no longer makes sufficient sense to apply venture capital to small and medium enterprise opportunities linked with Parks, as any profits generated resort to a budgetary fund.

**Trust/Foundation Establishment** – Given the changes to the NEPF, the Project began to investigate alternative mechanisms for long term financial support of parks. The National Trust Eco Fund, originally established to administer and manage a Swiss/Bulgarian debt-for-environment swap, was considered. The Trust brings to 4 years of established credibility and accountability managing government and donor funding in the environmental field. It has an established track record of project management and accounting procedures to World Bank standards, and is a recognized mechanism for environmental programming by three donors – the World Bank, the Danes, and the Swiss.

Subsequently, in October of 2001, the concept of a national park fund arose out of discussions with Government about what to do with the proposals and advances made in park financing. The National Trust Eco Fund was identified as a potential home for a national parks endowment fund, and a working team of MOEW and BCEG staff began negotiating its key elements with the Executive Bureau of the NTEF.

The Park Fund concept was launched in March 2002, after approval of the Fund concept by USAID, and endorsement of the Fund concept by the MOEW and select members of the international donor community.

In parallel with the Park Fund launch, the working team, (including the Executive Director of the NTEF) has worked to secure the NTEF's continued operational autonomy within the new Environment Protection Act. There have been many presentations of the Fund concept to the Parliamentary Commission on Environment and Water, a special presentation to the Commission on Budget and Finance, as well as presentations and discussions regarding the working of the relevant articles in the new, draft Act.

A total of 12 meetings and/or workshops have been held in support of the development and promotion of the new Park Fund concept working group, and a strategy is in place to both secure GOB commitment to the Fund, and to capitalize if from international and national sources.

The development of this Park Fund concept has overtaken the establishment of local trust/foundation instruments around each national park/protected area. The Park Fund concept paper is attached as Appendix 4.

***Park Revenue Collection Tools*** – Four experimental mechanisms have been introduced this year.

- development of the first campsite operation and management concession in national parks. The Central Balkan National Park is using this tool in concert with the establishment of a new camping facility in the Kalofer Ecotourism Pilot Area. The camping concession will be offered for the summer season, and is renewable. It will test both the market for these types of concession, and help to guide the terms and conditions needed for future short term concessions in Parks.
- Experimental NTFP/NTNR permit system. This new permit system will test the cooperation of Parks, resource buyers and collectors to jointly manage the blueberry resource in each Park's pilot areas. The new system should be better able to regulate and monitor collection, and should serve as the basis for long-term commercial contracts for NTFP/NTNR collection with the private sector. This season (2002) will demonstrate the efficacy of the new system for resource management and income generation.
- Development of the first commercial concession for specialized tourism services and trail operations and maintenance. Rila National Park is experimenting with the development of specialized trails for botany interpretation, and both national parks are experimenting with "adventure" trails in concert with ecotourism pilot area effort.
- Grant writing and project fund raising. Central Balkan National Park has embarked on an ambitious certification program entitled "PANPARKS". The Pan Park concept is born of

a private-public partnership between WWF and a Dutch tourism company working to certify the management and conservation of parks within the European system, with particular support for sustainable development activities, such as ecotourism. Once certified by the PanParks system, the park qualifies for WWF and private sector sponsorship, as well as marketing and promotional assistance.

- Rila National Park is working with its NGO partner, Children of the Earth to secure a regional conservation project entitled: *Establishing Financial Mechanisms for conserving Biodiversity in the Balkan Region – Sustainable Development through ecotourism and environmental education in protected areas*. The Project aims to develop a marketable set of conservation education goods and services related to protected areas., and thus promote ecotourism. The Project has already pre-qualified for consideration by REC, and is submitting a project proposal with regional partners in Albania (the NGO, Tourism and Environment in Pogradec, Albania, and Macedonia, (the NGO, ALLCOOP, at Ochrid, Macedonia), and a Serbian NGO (Association for Education Improvement, Belgrade.)

### Result 3 Greater Public Awareness and Participation is Demonstrated in Protected Area Management

This result reflects an over-arching theme in the BCEG Project. Public information and awareness are key components of both national and park-focused efforts. For our purposes, we report on public awareness activities of a national scale, and activities on a park level.

#### CRP 6 Public Awareness and Promotion Campaigns Implemented

National Public Awareness Campaign	Target	Actual 2000-2001	Actual 2001-2002
Number of public awareness strategies developed	1		
National level		1	1
Park level		2	2
Rila Monastery Nature Park ***		1	1
<b>Number of targeted public awareness events and materials</b>			
✓ Targeted public awareness events	20	9*	
National level			
Park level			
Nature Park			
✓ Public awareness material sets	5	4**	
CHM realized through technical assistance, needs assessment and mechanism design package ( <b>added to project indicators</b> )	1	1	1

\* targeted public awareness events includes those events related to public hearings for management plans

\*\* public awareness material sets includes those materials developed and used in support of public hearings for management plans.

\*\*\* indicates that a separate plan, activities, and plan are conducted in favor of Rila Monastery Nature Park management planning activities.

Our National Public Awareness campaign is characterized by two major phases:

**Phase 1** – May 2000- April 2001 – generate increased public information on biodiversity conservation legislation, and the finalization of the Republic’s first national park management plans. The major publication – GREEN GOLD of Bulgaria is launched in major national and regional public campaigns.

**Phase 2** – May 2001 – September 2002, is designed to support Management Plan implementation after their passage by the Council of Ministers. It will have a particular emphasis on Bulgaria’s newly elected parliament after June 2001, the private sector, and Bulgaria’s role as a leader in European biodiversity conservation efforts

## 6.1 *National level*

Phase 2 of the National Public Awareness efforts were supported with the development of a separate strategy. The strategy was developed and supported by the National Working Group and assisted by intermittent consultant, Plamen Vulchev. The resulting strategy focuses on the development of appropriate mass-media tools, more effective coordination with the MOEW and press officers on the use of press releases, and a much more aggressive use of press coverage and “motivated” articles with leading national newspapers and international news agencies.

The most significant product to arise from this reporting period was the production of a multimedia CD entitled: Bulgarian National Parks. The CD was developed in conjunction with the three national parks directorates, and an editorial team consisting of Park representatives, production managers and designers. The production of the CD was started using a competitive bidding process in which the editorial team selected from among Bulgaria’s multi-media producers. 3000 CDs were produced.

The CD was launched in the National Parliament on April 17<sup>th</sup>. The event was hosted by the Parliamentary Commission on Environment and Waters. 55 Parliament Members attended, along with 33 journalists. Special guests included the USAID Mission Director, and Deputy Minister Dukov, MOEW.

The end product is a major focus for an intensive series of promotional and informational sessions for Government, non-government, and private citizens, supported by the Project. TV broadcast versions of the CD have proved very popular, and negotiations successfully carried out to assure its appearance in a new format, on national and regional TV.

The CD is being distributed internationally, to organizations with a strong role in international protected areas management and biodiversity conservation. The Project is also distributing the CD to embassies, organizations, all Ministries and private companies in Bulgaria.

The Bulgarian Ministry of Foreign Affairs is ensuring the distribution of 200 copies to its embassies and consulates worldwide. The Parliamentary Commission is assuring its distribution to its counterparts in the EU Parliament. Finally, the Bulgarian Prime Minister gave the CD to his US hosts during his trip to Washington DC, in April, 2002. His office is distributing some 150 additional copies of the CD, at his request.

***National Marketing Supplements*** - The project helped to prepare two national supplements on ecotourism and national parks, and specifically on ecotourism offered in the pilot areas. The national supplements are part of widely read Bulgarian national newspapers, and will appear alongside other thematic marketing and publicity materials in these supplements. The two marketing supplements appeared in 168 Hours, and Kapital newspapers in May, 2002.

## 6.2 *National Park level events*

***October 2001*** Anniversary celebrations for Central Balkan National Park were largely carried out by the Park Directorate without the direct financial assistance of the Project. Technical support and coordination was provided to ensure national mass media coverage.

***March 2002*** Anniversary celebrations for Rila National Park are supported in a similar manner.

### 6.3 Conservation Education and the Ministry of Education

Activities under this heading were completed under the previous reporting period. Dr. Lilly Vladova, however, continues to work closely with her national park colleagues to develop and promote additional conservation educational materials developed in conjunction with her primary education teacher-training institute. Dr. Vladova recently completed supervising a new set of learning activities for Rila National Park. Her teachers in this effort were recognized nationally for their contributions to innovative and creative learning materials for pupils and teachers studying the natural and geographic sciences.

*Rila – Known and Unknown Environmental Education Set*, was produced by Rila National Park, under the supervision of Dr. Vladova. It is one of Rila's Park projects, and part of the Annual and Management Plans. 2000 copies of the booklet were produced using BCEG Project support. The launching ceremony took place in April, 2002.

### 6.4 A Comparative Numerical Analysis of National and Regional Campaign results from Project supported activities

<b>Media (National)</b>	<b>November 01-April 02</b>	<b>May – April 2002</b>
Newspapers – provoked articles	4	11
Newspaper/magazine coverage	60	92
Radio broadcasts	20	39
National TV	12	17
<b>Media (Regional)</b>		
Newspaper/magazine articles	98	114
Radio	47	54
TV appearances	16	22
No Press Conferences	2	3
Green Media Machine Meetings	1	3
Media Monitoring reports	6	12
Public Awareness Materials Sets	4	8

### 6.5 Nature Park Rila Monastery

Sets of public information materials have been produced for this CRP, after significant staff efforts to coordinate content and target groups with project counterparts. All efforts have been coordinated and supervised by the Project's Conservation Education and Communication specialist. Efforts over the past year include:

- Press conferences in support of the launch of the Rila Monastery Nature Park Management planning process and team
- Press conference to highlight the results of the Rapid Ecological Assessment work of Summer 2001;
- Production of information and publicity materials in support of the regional socio-economic survey;
- Regular supervision and information center for regional and national press articles;
- Supervision of radio interviews and magazine articles results from this public information campaigns;

- Development of press briefing packages;
- Development of the design and content for a public information booklet dedicated to the significance and purposes of the Nature Park territory.

## **6.6 Clearing House Mechanism**

A major part of sustained public awareness and access to information on the environment, and particularly, biodiversity conservation, is inherent in two international conventions – The Convention on Biological Diversity, and the Åarhus Convention. Bulgaria is a signatory to both.

As part of its support for national public awareness, the Project sought links with other organizations and institutions that could complement national, long-term activities that support public awareness on biodiversity conservation. We succeeded in identifying and working with two international organizations with specific interests in supporting development of a Clearing House Mechanism for biodiversity conservation in the country – UNDP will support development of capacity at the MOEW/NNPS, in the establishment of a CHM. UNDP has allocated approximately 70,000 USD for country-driven project related to CHM, and they are funding a CHM capacity building study. The Regional Environment Center (REC) will similarly support a CHM-type effort, with a primary focus on a mechanism operated and managed by a Bulgarian NGO. REC is providing in excess of 24,000 Swiss Francs towards a workshop and implementation of the NGO-CHM strategy.

The BCEG Project funded a needs assessment of CHM biodiversity and biodiversity conservation information sources, information sharing, and information needs related to the preliminary establishment of a CHM in Bulgaria. In addition, we translated the needs assessment report and the CHM User's Guide as primary tools for the country's first workshop on establishing a CHM. The Workshop was hosted by REC in May, 2001. Participants from regional, international and national organizations and institutions attended.

The results of this workshop and needs assessment have been used to develop further UNDP program support to the Ministry of Environment and Water. These materials have also formed the basis for REC to support the development of a national NGO node of the CHM. The REC program is underway with support for staff, website design and maintenance, hardware, and operations of this node.



## 4.0 Project Management and Administration

### 4.1 Project Coordination and Supervision

Jay Lee, USAID-Bulgarian Mission Environmental Specialist largely assumes major responsibilities for the BCEG Project during this reporting period. He serves as Mission representative to BCEG Project events and activities, and is the primary point of contact for the Mission.

Alicia Grimes, USAID CTO for the BCEG Project, leads an environmental assessment team to Bulgaria in November of 2001.

BCEG Project is introduced to new political leadership of the Ministry between July and September of 2001. The Project provides focused orientation and information sessions on Project themes, for key political staff, between September 2001 and January 2002.

### 4.2 BCEG Project Management Unit, Sofia

1. Kamelia Georgieva – Eco-enterprise specialist
2. Dimitrina Boteva – Biodiversity Specialist
3. Svetlana Aladjem – Environmental Education and Communication Specialist
4. Vessela Gavrailova – Office Manager and Program Assistant
5. Maria Yourukova – Financial Manager and Computer Network
6. Krassimir Kostov – Logistics and Procurement
7. Peter Hetz – Senior Team Leader

### 4.3 Key Personnel

#### International

Dr. Steve Dennison – Economic and Environmental Policy Specialist - two trips to Bulgaria, with a total LOE of 40.6 days.

Professor Don Hawkins – Ecotourism Specialist - two trips to Bulgaria, with a total LOE of 20 days, plus an LOE 14 days of domestic consulting work.

Jared Hardner – Business Development Specialist - three trips to Bulgaria, with a total LOE of 46 days.

#### National

There were no changes to key local (CCN) personnel.

### 4.4 Home Office Liaison

Ed Harvey, Project Manager for BCEG remains, the Project's home office liaison for this reporting period.

#### **4.5 PMU Office**

There are no changes to the PMU office situation during this reporting period. Gergana Pavlova, is added to office staff on an intermittent basis to provide administrative assistance and translation services to the Rila Monastery Nature Park Core Planning Team.

#### **4.6 National Technical Assistance (CCN Short term technical assistance)**

During this reporting period, some 742 days of national technical assistance were used and/or programmed.

#### **4.7 Purchase Orders**

21 local purchase order contracts were issued to local vendors during this contract period, for a total approximate value of \$97,665.00 USD.

#### **4.8 International Training and Workshop Events**

A USAID TRANSIT (Societies in Transition) Training grant was awarded to 12 Bulgarians who will travel on a study tour to the United States – Washington D.C. and Tennessee between November. Participants were selected from the Project's pilot ecotourism model.

One international training and workshop event was supported by the Project:

##### *Eurosite Workshop 67 – Stakeholder Involvement in Nature Management Planning*

Description – 2 trainees – Dimitrina Boteva (BCEG Project Biodiversity Specialist and Svetoslav Apostolov, NNPS, (replacing Ivailo Zafirov at the last moment) were sponsored by the Project to a Eurosite Workshop in Szczecin, Oder Delta, Poland, between March 20<sup>th</sup> and 24<sup>th</sup>. They were joined by 23 participants from 11 countries in eastern and central Europe. The BCEG Project experience was presented on: “Public Hearings – Tools for Stakeholder Involvement in Two Bulgarian National Parks Management Planning – Case Studies from Rila and Central Balkan National Parks”.

#### **4.9 International Travel**

Nellie Georgieva, intermittent consultant to the Project on the pilot ecotourism areas traveled to the US to accompany the Study Tour participants.

There was routine international travel associated with key international personnel on assignment in Bulgaria.

#### 4.10 Networking and Partnerships

**USAID Country Program** – as noted earlier, working partnerships were developed with FLAG/UD to assist the ecotourism component of the Project.

Several consultant debriefings were presented to interdisciplinary Mission teams on ecotourism, the Park Fund, and Non-timber natural resource collection and enterprises.

**BSBCP – Swiss Program** – Cooperated in the production of the multi-media CD for Bulgarian National Parks, with BSBCP covering 1/3 of the production costs.

A full set of park management planning materials, and park management training course materials were provided to the Pirin National Park management planning team for Pirin National Park Directorate training and management planning.

**UNDP** – Coordination and parallel financing continue with the UNDP related to common activities for:

- Clearing House Mechanism – as reported above;
- Financial mechanisms – this study was launched during this reporting period to examine financial mechanisms and incentives for biodiversity conservation outside of protected areas. The BCEG Project was instrumental in establishing the TOR for this study. Three workshops were sponsored by UNDP during this period; the BCEG Project attended these. Two international consultants are assisting the UNDP team to evaluate opportunities for new or refined mechanisms to be used in Bulgaria. The final report is expected in the next reporting period;
- Ecotourism – the Project cooperates on the range of activities supported by UNDP through the Beautiful Bulgaria program, and the JOBS/Business Centers.

#### 4.11 Special Events

USAID Administrator Andrew Natzios visited Bulgaria during this reporting period (September 2001). The eco-enterprise components featured in a briefing paper presented to the Administrator during his visit.

**CAPITAL INVESTMENT PROJECTS  
BULGARIAN NATIONAL PARKS**

**Rila National Park -2001**

<b>Park</b>	<b>Project</b>	<b>Proposed Budget</b>	<b>Actual Budget</b>
<b>Rila NP 01</b>	<b>Tourist Picnic Areas</b>	<b>13,000 BGL</b>	<b>13,450 BGL</b>
<b>Description/Comments:</b> 25 picnic areas were planned, with 18 sets of picnic furniture produced; and four sets installed in the area of Beli Iskar. The remaining installation will be completed in the spring of 2002. Implementation is now largely complete.			
<b>Rila NP 02</b>	<b>Park Entrance Points</b>	<b>50,000 BGL</b>	<b>49,200 BGL</b>
<b>Description/Comments:</b> 8 main entrances were planned and 8 produced, with one installed at the Maliovitsa trail head. 30 secondary entrances – all produced and ready for installation, and 35 tertiary entrance signs – production completed. Installation will commence next quarter, and the graphic elements for all sites will be completed during the next quarter. Installation underway and graphic elements being printed.			
<b>Rila NP 03</b>	<b>Visitor Management Signage</b>	<b>16,000 BGL</b>	<b>0 BGL</b>
<b>Description/Comments:</b> Visitor management signs refer to the signboards used to explain park rules and regulations. The NNPS and Parks are presently working together to agree a set of icons/images that will be used throughout the national parks system, and become a standard for park/visitor management signage. Both Park Directors have worked together to design and agree a set of park standard signs/emblems for use throughout the Park system. The designs were formally submitted to the Minister of Environment and Waters for approval. An order should be issued, authorizing use of the signs as standard throughout the Park system. No expenditure was made on this activity during the Park's work year 2001, and the activity will be carried over to the new year (2002).			
<b>Rila NP 06</b>	<b>Interpretation and Education Facilities</b>	<b>16,000 BGL</b>	<b>16,000 BGL</b>
<b>Description/Comments:</b> These sites/facilities are being designed in conjunction with the Ecotourism Initiative Group of Samokov, in the northern section of Rila National Park. No new activities have been undertaken in this Project, due to other activities of the Ecotourism Initiative Group in Samokov. This activity is being implemented at present.			
<b>Rila NP 07</b>	<b>Conservation Education Materials</b>	<b>3,000 BGL</b>	<b>4,900 BGL</b>
<b>Description/Comments:</b> A set of 10 lessons plans specific to Rila National Park complement the conservation education curriculum materials produced under the GEF Project. Designed by team of teachers and teacher trainers, these materials focus on primary education, biology, chemistry and computer skills. These will be distributed through the network of schools (150) surrounding the national park. Design of these materials has commenced with GOB funds, and the final products of the team's work will be printed using BCEG Project funds during the next quarter 2002. Completed under the title, Rila-Known and Unknown.			
<b>Rila NP 10</b>	<b>Visitor Information and Safety Materials</b>	<b>4,700 BGL</b>	<b>7,000 BGL</b>
<b>Description/Comments:</b> The Directorate has completed production of all leaflets. There are nine in the series: (1) fire prevention, (2) tourist safety, (3) solid waste, (4) fishing, and (5) park zoning which is addressed by 5 leaflets. 1000 leaflets have been produced in favor of each theme. Distribution has been accomplished through the Park Visitor Center in Panichishte, as well as through each of the Park Sections, which have distributed them to chalets, rest houses and local hotels. This activity is completed successfully.			
<b>Rila NP 14</b>	<b>Management Zone Maps - Digitization</b>	<b>500 BGL</b>	<b>459.65 BGL</b>
<b>Description/Comments:</b> Costs were paid to the Park for expert supervision of the digitization of management zone boundaries for the National Park to be added to the Park's GIS. This activity was completed successfully.			

**Rila National Park – New Projects 2002**

<b>Park</b>	<b>Project</b>	<b>Proposed Budget</b>	<b>Actual Budget</b>
<b>RNP 2002</b>	<b>Medicinal Plants Management Plan</b>	<b>10,000 BGL</b>	
<b>Description/Comments:</b> Each National Park is required to produce a medicinal plants technical management plan according to the Law. Rila National Park will use this amount to develop the Terms of Reference for a comprehensive park-wide medicinal plants technical management plan to be conducted under the supervision of appropriate technicians from the Bulgarian Academy of Sciences. Preliminary field exercises for medicinal plants in the multi-functional zones of the park will be conducted as a matter of priority.			
<b>RNP 2002</b>	<b>Park Brochure</b>	<b>7,500 BGL</b>	
<b>Description/Comments:</b> Rila National Park Directorate will produce new park brochures in at least two languages.			
<b>RNP 2002</b>	<b>Tourism Infrastructure and Signage</b>	<b>68,000 BGL</b>	
<b>Description/Comments:</b> The Directorate will use the most significant amount of BCEG Project funds allocated to this CRP for finishing off its park-wide tourism infrastructure and signage. This project consolidates outstanding signage from the previous year, and increases the number of sign locations.			
<b>RNP 2002</b>	<b>Waste Management</b>	<b>12,000 BGL</b>	
<b>Description/Comments:</b> This program will consist of studies/designs and campaign for waste management in the park. Primary focus will be given to a campaign of carry –in carry-out, and designs developed for implementing improvements to solid waste and waste water from chalets. This Project is being designed and executed in conjunction with Central Balkan National Park, and the National Trust EcoFund. The latter is expected to fund the implementation of the project resulting from this feasibility study and design for both Parks.			

**Central Balkan National Park - 2001**

<b>Park</b>	<b>Project</b>	<b>Proposed Budget</b>	<b>Actual Budget</b>
<b>CB 04</b>	<b>Visitor Infrastructure - Kalofer</b>	<b>13,600 BGL</b>	<b>16,869 BGL</b>
<b>Description/Comments:</b> Local purchase order with a contractor from Kalofer includes the production of 36 benches, 17 tables, 28 chairs, seven fire places, two pit latrines, 2 children's playgrounds, 3 water tap restorations. All elements were produced in a timely fashion and installed in preparation for the 10 <sup>th</sup> anniversary celebrations. Graphic elements/signage is outstanding due to technical problems. This project was successfully completed.			
<b>CB 08</b>	<b>Archaeological Inventory</b>	<b>3,000 BGL</b>	<b>2,850 BGL</b>
<b>Description/Comments:</b> The archaeological inventory required under instruction of the Council of Ministers was successfully completed during the August period. An extensive report was completed with both the geographic locations of the inventory, as well as their significance. Both form the basis of a selective interpretive program for the National Park in the future. A final report has been provided, with copies sent to the Ministry of Culture, as well as the MOEW/NNPS. The Report serves as part of the Parks interpretive and signage activities. <b>This activity is complete.</b>			
<b>CB 11</b>	<b>Portable Fauna Exhibit</b>	<b>2,200 BGL</b>	<b>2,780 BGL</b>
<b>Description/Comments:</b> A subcontractor will finalize production of 6 (two sided) billboards presenting the fauna of CBNP and a leaflet representing the traveling exposition. The materials focus on primary and early -secondary levels. The exhibition will be used as a tool for realization of the nature conservation education program in the schools around the Park (about 100) and in the visitors centers of Karlovo and Ribaritsa. Completion of the project is expected in the next quarter. This activity is near completion.			
<b>CB 12</b>	<b>Post Card set</b>	<b>4,000 BGL</b>	<b>4,000 BGL</b>
<b>Description/Comments:</b> A subcontractor will produce 1000 sets of post cards which will be distributed through the Park visitors' centers. 12 quality images of the CB National Park will be selected through a nationally announced competition for amateur and professional photographers. The NPD will have the rights to use them for future information and education materials production. Five people from the Park staff will be trained in taking photos. A Group of professional photographers will be identified as Park Directorate partners. To date, the competition for photos and pre-selection of winners were completed. Final winners will be selected in the next quarter and photos reproduced as postcards for promotion and publicity purposes. The Project is implemented by the National Park in conjunction with Borrowed Nature – an environmental NGO noted for its graphic and multi-media talents. This is one of two sales' tools (the other is a calendar) that Central Balkan National Park is using to generate revenue from park-related promotion and publicity tools. Sales are conducted by commissioned agents of the Park, and the proceeds generated are returned to a revolving fund within the National Environment Protection Fund for similar sales items. This is one of the new Park financial mechanisms in practice. Delivery of the post cards is complete; the Park is finalizing a contracting mechanism for sale of the post cards.			
<b>CB 16</b>	<b>Reserve Boundary Demarcation</b>	<b>7,000 BGL</b>	<b>8,700 BGL</b>
<b>Description/Comments:</b> Materials for reserve boundary demarcation were provided under this Project. National Parks supplied labor and transport. Boundary marking was completed during the summer months for the National Park's Reserve system. Only materials were provided. The Park and its partners supplied the labor. To date, 99.5 km of reserve boundaries have been marked. Another 152.5 km of reserve boundaries will be marked in the summer season of 2002. The activity is almost complete. Final markings will take place in June 2002.			
<b>CB 17</b>	<b>CBNP HQ Internet Connection</b>	<b>USD 990.00</b>	<b>USD 990.00</b>
<b>Description/Comments:</b> This project was added to the Park's project list. Significant investigations have been conducted to assure CBNP of a dependable, dedicated internet connection. This will be afforded through a radio modem. Procurement will proceed upon receipt of approval for equipment purchase. <i>This activity was successfully completed during this reporting period.</i> The equipment was purchased and installed. CBNP is now part of the "information highway", and regularly uses its internet access to communicate with partners both inside and outside Bulgaria. This activity is successfully completed.			

<b>Park</b>	<b>Project</b>	<b>Proposed Budget</b>	<b>Actual Budget</b>
<b>CB 19</b>	<b>Management Zone Digitization</b>	<b>1,000 BGL</b>	<b>1309.54 BGL</b>
<b>Description/Comments:</b> Costs were paid to the Park for expert supervision of the digitization of management zone boundaries for the National Park to be added to the Park's GIS. This activity was completed during this period and copies presented to the Park Directorate and MOEW. Costs were higher than those for Rila because of the complex set of overlapping geo-reference coordinate sheets used in this Park. This activity is complete.			

### **Central Balkan National Park - New Projects 2002**

<b>Park</b>	<b>Project</b>	<b>Proposed Budget</b>	<b>Actual Budget</b>
<b>CBNP</b>	<b>Medicinal Plants</b>	<b>10,000 BGL</b>	
<b>Description/Comments:</b> Each National Park is required to produce a medicinal plants technical management plan according to the Law. Rila National Park will use this amount to develop the Terms of Reference for a comprehensive park-wide medicinal plants technical management plan to be conducted under the supervision of appropriate technicians from the Bulgarian Academy of Sciences. Preliminary field exercises for medicinal plants in the multi-functional zones of the park will be conducted as a matter of priority. Underway.			
<b>CBNP</b>	<b>Tourism Management and Information Infrastructure</b>	<b>89,100 BGL</b>	
<b>Description/Comments:</b> This Project will consolidate all the outstanding activities of 2001, and to them add the development of new infrastructure for all main park entrance, secondary entrances, view points, rest areas, etc. Separate purchase orders will be used to contract construction services from municipalities to the north and south of the Park.			
<b>CBNP</b>	<b>Web Site Design and Development</b>	<b>5,000 BGL</b>	
<b>Description/Comments:</b> Central Balkan will be first national park to develop and maintain a web site in two languages. The website will be hotlinked to other websites in Sofia, and managed and maintained through a commercial service.			
<b>CBNP</b>	<b>Cherni Ossam Tourism Catalog and CD</b>	<b>4,000 BGL</b>	
<b>Description/Comments:</b> This is the final set of tourism inventory materials to be produced in favor of municipalities surrounding Central Balkan National Park. Design and production of a catalog and CD is part of the Parks partnership with the Troyan municipality, and ecotourism development on the north side of the Park.			

## **APPENDIX 2**

### **Eurosite Workshop 67 – Stakeholder Involvement in Nature Management Planning**

#### **Profile and List of Participants**

**EUROSITE Workshop 67:**  
**Stakeholder Involvement in Nature Management Planning**

Report on participation

Prepared by: Dimitrina Boteva, biodiversity specialist, BCEG project

The 67<sup>th</sup> Eurosite WS took place in Szczecin, Poland – in part of the Oder Delta from March 20<sup>th</sup> to March 24<sup>th</sup>. The workshop was organized by EUCC Poland, together with Vereniging Natuurmonumenten in the Netherlands with the support of the Eurosite Program and Development Office. There were 26 participants from 11 countries mainly from Central and Eastern Europe. A list of participants is included.

There were 3 participants from Bulgaria together with the BCEG project representative. These were Mr Svetoslav Apostolov expert in the National Nature Protection Service, MOEW and Mss Antonia Chilikova, GEF Rhodopi Project, UNDP.

The focus of the workshop was on stakeholder-involvement in nature management planning:

- Who are the stakeholders?
- Why to involve them?
- How to involve them?

Management planning process was introduced in the beginning of the workshop to warm up and equalize the background knowledge of the participants for conducting the next more practical parts. Theoretical session was held as well for stakeholder analysis and methods and steps in involving stakeholders.

The workshop had strong participatory element with team working on case studies proposed and selected from the participants' experience. Each group made a stakeholder analysis for the case study selected, followed by development of a strategy of a stakeholder involvement. The presentation of the small groups' case studies was held at the last day of the WS. During the WS practical exercise for the small groups was undertaken to interview stakeholder representatives from the region of Oder Delta, who work with the EUCC Poland.

During the workshop number of presentations were given by the participants on their own experience with stakeholder involvement in the nature management planning. The BCEG project experience was presented on: "**Public hearings - tools for stakeholder involvement in two Bulgarian national parks management planing**", A Case Study for Rila and Central Balkan National Parks.

A site visit was held to introduce the participants to the Oder Delta environment and the experience of EUCC, Poland in nature conservation management. It was very helpful as well for the preparation for the local stakeholder interviews. The Wolin National Park was visited and a discussion held with the park director on the topics covered on the workshop.

The main conclusions from the workshop are summarized below:

1. Stakeholder involvement is a method that can help in effectively protecting and managing nature sites.
2. To effectively involve stakeholders, an analysis is needed, upon which a strategy can be developed and carried out.
3. Stakeholder involvement is a continuous, constantly changing process, which needs flexibility.
4. Stakeholder involvement is a two-way process, where a mutual gain should be identified keeping the limitations clear: what is under discussion and what is not?
5. Constant information flow with the key-stakeholders is necessary: “Ask what’s important to someone, don’t suppose”.
6. CONTACT (people) – CARE – CONNECT (interests)
7. Act justifiably: treat others like you would like to be treated
8. Stakeholder-involvement is not in all cases needed or equally important. Involving stakeholders can be time- and money-consuming, so it must be considered, whether or not it will really help in the particular case.
9. Exchanging experience with other colleagues is very important in terms of learning from their practices.

30. 03. 2002

Sofia

**Participants in Eurosite Workshop 67**  
**Stakeholders involvement in nature management planning**

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## **APPENDIX 3**

**Report on the Study Tour to the USA – Washington and Tennessee,  
November 3-18, 2001**

**Report  
on the Study Tour to the USA – Washington and Tennessee  
November 3-18, 2001**

*Nellie Georgieva – ARD Consultant*

## **1. Summary**

In the period November 3-18, 2001, representatives of the Ecotourism Initiative Groups for Rila and Central Balkan National Parks, and representatives of the Ministry of Economy and the Ministry of Environment and Waters participated in a study tour to the United States.

The study tour was part of the training events that are important to the development of the Ecotourism Initiative Groups and help achieve the objectives of the ecotourism pilot project under the Biodiversity Conservation and Economic Growth Project, funded by the United States Agency for International Development and the Government of Bulgaria, and implemented by ARD.

The study tour was organized by World Learning, and hosted by the George Washington University in Washington, DC, and the University of Tennessee.

## **2. Context of the Study Tour**

**Ecotourism** is an important part of the Management Plans of both National Parks, since it aims at creating a community around Rila and Central Balkan National Parks.

The ecotourism concept widely supports the two park management objectives, and namely:

- to ensure consistency between the tourism development in the Park and the Park's national and international significance, and to create conditions for aesthetic entertainment; spiritual enrichment and contact with the wild nature;
- to create conditions for sharing the responsibilities and benefits between the Park and the local community, as a result of the ecotourism development in the National Park.

17 municipalities border the national parks – 9 for Rila and 8 for Central Balkan. All of them readily expect the opportunities for cooperative activities and are interested in the respective profits.

With regard to these broad objectives, the two national parks:

1. Selected pilot areas where the attention of the park and the BCEG Project team will focus on local tourism and tourist enterprises development projects.
2. Made a detailed inventory of the local services, lodging facilities, monuments and crafts, which can serve as a starting point for the ecotourism enterprise development.
3. Defined the park areas and the opportunities for development of tourist infrastructure, tourist information and additional tourist activities.
4. Established working relations with representatives of the local Bulgarian Tourist Union for improvement and maintenance of the park trail system (routes).

5. Identified the need for developing specialized tourist services and providing opportunities for bird watching, wild nature observation, mountain biking, rock-climbing, etc.
6. Outlined the local communities' role for the overall future development of tourist activities within and outside the park.
7. Established relations with the private sector, working within and outside the national parks.
8. Linked the tourism development with market activities and the respective government agencies (Ministry of Economy) and tourist and travel associations (BATA and BAAT).

**The main goal** of the pilot project is to create business opportunities for the local entrepreneurs, dealing with tourist services, accommodation and goods, related to the national park goals and objectives. The Project aims at improving the social and economic conditions in the selected municipalities and expanding the relations and support to the national parks.

### **Strategy**

The strategic steps for developing a pilot project comprise the development of interrelations at the local and national level – a social engineering process. This process can be described basically as a process with two major stages:

- A/ internal development and growth
- B/ expanding to a broader public

The main idea during the pilot project implementation is to develop the local entrepreneur capacity – to make them “players” on the real market as national park partners, so that the local people become the main beneficiary of the tourist business in the park region.

### **The Local Ecotourism Initiative Groups**

Based on the stakeholder identification process, the National Parks organized meetings with representatives of the stakeholders, who had shown readiness to participate in the initiative and to contribute to the formation of a local ecotourism group. This group comprises representatives the broadest possible circle of stakeholders. The internal structure can be described as consisting of the national park, the local authorities and the local tourist services providers. The initiative group builds a mutual interest consensus and on this foundation agrees upon the main strategic objectives of the group – *to improve the opportunities for development of sustainable ecotourism, contributing to nature conservation and improvement of local people's social and economic status, based upon the partnership relations with the National Park Directorate.*

- *Identifying the needs of training, technical assistance (TA) and reviewing the exiting opportunities within and outside the park.* The initiative group identified the main steps (strategy) for achieving the objectives. They define the needs of training and technical assistance.
- The initiative group reviews the existing opportunities, using inventory catalogues, provided by ARD. At this stage they update the information, and together with the national park supplement it with the services provided by the park.
- The group “consults” with the park about the development of visitor services within the park. ARD provides technical assistance to the group for the preparation and development of particular projects and for grouping the existing service opportunities into packages. The group will be trained in two main directions – legal requirements and issues related to tourist products demand/supply and business planing.

- *Development of particular tourist projects (products).* This is a period of intensive work for reviewing and analyzing the existing opportunities, creating new ones or establishing contacts with the respective services outside the particular community. Based upon the existing knowledge about the requirements of the Bulgarian and international clients, the group develops the respective products. In parallel begins the development of a marketing strategy.
- *Development and implementation of the marketing strategy for Bulgaria.* The group decides what methods and resources to use for offering new products to the market. Specialized technical assistance – national and international – is envisaged. At the present stage, the local Ecotourism Initiative Group takes decisions and establishes contacts with international tourist association, tour operators and other tourist industry “players”. This is the step to the second main stage of the pilot project development. If possible, the participation in fairs, dedicated to tourism, will be encouraged.
- *Business plan development of and project implementation.* This stage covers a 7-8 month period of project implementation and monitoring in the pilot regions.

### **November 3-18, 2001 – Study Tour to the State of Tennessee, USA**

The Biodiversity Conservation and Economic Growth Project won a grant by the United States Agency for International Development. The grant was used to organize a study tour on tourism development in small communities and promotion of the rural areas of Eastern Tennessee, bordering the Great Smoky Mountains National Park. The study tour studied the various aspects of regional tourism development, ecotourism development and the marketing in small communities, local partnerships, as well as the subsidy program, developed by the Tennessee community.

The study tour was of key importance as a training event for the participants – representatives of the Ecotourism Initiative Groups. It enhanced their understanding about protected areas management and about the essence of sustainable tourism development around the parks. I am convinced that this training event acted and will continue to act as a catalyzer for the Initiative Groups development and increasing of nature protection and economic growth opportunities for the local communities from the pilot regions around Rila and Central Balkan National Parks.

The study tour itinerary, list of participants and meetings are described in the appendices to this report.

### **The Role of the Consultant, Accompanying the Group during the Study Tour**

Over the past months from the beginning of the ecotourism pilot project, my role was to assist the group in creating their own agenda and to encourage the group members to work together. For several months the process included team building, sharing the responsibilities, structuring, management and the respective cooperation activities.

My participation in the study tour was a continuation of my efforts in support of the initiative groups. At the same time, I increased my knowledge in the field of the ecotourism project thematic area.

Besides being the program facilitator during the tour, my role was also related to assisting in the formulation of ideas for the initiative group action plans, prepared by their representatives. The trip helped all of us, participants in a joint process (i.e. the pilot project development), to increase our competence and skills for managing changes, related to the project development.

### 3. Main Study Tour Themes

#### 3.1 The Role of the State of Tennessee Tourism Department and their Tourist Initiatives Support Fund (Matching Grants Fund)

In the USA, there is no Federal (National) Ministry of Tourism Development. These functions are carried out by the National Association for Tourism Promotion, by the State Departments of Tourism and the State Bureaus of Tourism.

The meetings with Lee Curtis and Agnes Gorham – regional directors in the Tennessee Tourism Development Department helped the group clarify the modus operandi of their department, as well as the assistance they provide to the tourism business.

In Tennessee, tourism is the second largest industry after healthcare in terms of volume and turnover. The State Department of Tourism develops the strategy and plans the state assistance for this industry. Their efforts are focused on several major areas:

- *Development of trails, related to the state culture and history* (as Lee Curtis and Agnes Gorham shared, the state has the understanding that it has to be the mentor for the cultural heritage and for that reason, the Department of Tourism provides free promotional materials on cultural tourism).
- *Educational programs (hospitality and care for the clients, planning of festivals and other special events, marketing and advertisement, heritage conservation and use, market trends, etc.)*
- *Support to funds, related to the current programs*
- *Development of partnerships between the regions and the national tourist organizations.*

*The funds with the Department of Tourism function as a small communities financing program. The program started in 1993. The funds are distributed on the basis of criteria that are updated every year, in accordance with the actual budget. Owing to these funds, many small communities in Tennessee have the opportunity to be more confident in their first steps in the local tourism development. The regional directors shared that many regions use the funds to produce leaflets.*

The funds resources are not granted for re-issuing of already existing leaflets, for billboards, promotion of already advertised destinations, for salaries, infrastructure, etc. One of the actual criteria of the federal fund this year provides an opportunity for development of projects, related to the Civil War. Financial support is also provided to existing tourist products.

Letters of support by the regional directors to the district tourism directors are required in order to apply before these funds. The applicant organizations must be NGOs, which in fact means that the development of partnerships and the establishment of common regional strategies are supported.

The Tennessee Department of Tourism web-page is: [www.tnvacation.com](http://www.tnvacation.com)

#### 3.2 Local Associations

One of the main tourism development strategies in the state is based on the understanding that partnerships need to be established at the local and regional level. Only then can the interested

parties set common goals and work towards achieving common results. This understanding is also supported by business arguments – tourism is a specific industry and if one wants to succeed, they must help the other “players” in this business to develop.

Typical partnerships examples are the *local tourism councils*. They function as NGOs and comprise representatives of various groups – local companies, related to the tourist business, representatives of the local authorities, local people, etc.

*Foothill Crafts Chamber* – operating as an NGO with 200 members and a Board of Directors. The organization has no full-time staff, except for the paid accountant. The chamber’s functions include: control over the craft production quality (internal quality standards are developed), as well as supporting the crafts development, assisting in the promotion of member craftsmen. The organization incomes are formed by membership fees, and by collecting 20% of the sales, effected during the traditional annual exhibition. This exhibition is held twice a year, in a rented local municipal building.

*Gatlinburg Foundation* – the foundation was established three years ago. It brings together local businesses, representatives of the local authority, the Great Smoky Mountain National Park and Friends of the Park Club, private persons. The foundation goals are to develop partnerships and to support the town’s economic prosperity. The foundation modus operandi is of the “community action planning” type – formation of working groups, assisted by consultants. The foundation has no paid staff, except for the accountant.

*Overhill Hotel Association* – Tennessee. Established by hotel owners, who pay a minimum annual membership fee of USD 175 and USD 10 per bed. They develop compulsory quality standards for the services provided by their members. Membership inspections are made once in every two years.

*Overhill Heritage Association* – Tennessee. Operates as an NGO with a Board of Directors. Comprises 32 organizations. Develops tourist products, prepares interpretation field training. The cultural tourism workshops are among the specific services provided by the Association. Its incomes are also formed by federal and state subsidies.

### **3.3 Partnerships of the National Parks and the Tourist Business**

*Concessions in the parks* – partnership with local companies is tolerated. When applying for concession, advantages are given to entrepreneurs, who submit strategies for working with local companies and plans for environment conservation. The park sets the standards for the concession services provided. The National Park Service provides for reselling the concession rights. Park investments are considered, and the concession-holders are favored who make long-term investments. Concessions are managed by a Consultative Committee – the Deputy-Minister of the Interior, National Park Service, representatives of NGOs, craftsmen, hotel-owners.

*Park Advertisement* - The local communities and companies use the proximity to the parks to advertise their business. In practice, the parks do not need to make their own advertisement to attract tourists.

*Partnerships with NGOs* – the park cooperates actively with NGOs, which in return support it financially. One example is the opportunity the park has provided to the Great Smoky Mountains Visitor Center bookstore to sell Park books and souvenirs. The bookstore operates as an NGO. Every year it donates funds to the Park. Owing to these funds, a cinema theatre was built and furnished at the visitor center last year.

### **3.4 The Role of the Local Authorities**

The meeting with Mrs. Kay Powell – Assistant Director, Department of Tourism, Pigeon Forge, Tennessee, outlined the main tourism development responsibilities of the local authorities.

Pigeon Forge is a town with 5 000 residents, which welcomes 12 million tourists annually. The local authorities plan the development of tourism in cooperation with the businesses.

At the same time, the town's municipal Department of Tourism ensures focused marketing and advertisement of the town as a tourist destination, close to the GRSM NP. The municipality allocates 8 million USD per year for town's promotion, and provides a toll free information phone line in each advertisement. The municipality also carries out planned visitor surveys. The Pigeon Forge Department of Tourism employs 28 members; 5 of them deal with event organization – winter festival, veterans festival, etc. The department maintains 28 toll free telephone lines, organizes training for tourist industry representatives, and provides preferences for the small businesses, such as: rental of land, which at a later stage is offered for sale to the hirer at competitive prices.

### **3.5 Strategies for Product and Marketing Development**

The regional tourism directorates in Tennessee serve as intermediates between the separate municipalities and national organizations in the field of tourism. They support the creation of marketing-related coalitions and provide information on funding programs.

Development of partnerships for new tourist products, joint promotions, information sharing, is encouraged. People are taught how and what to offer; manuals and handbooks are issued.

### **3.6 Tourist Management in the National Parks**

There are 4 entrances to the GRSM NP, each of them providing opportunities for information and education, delivered by well-equipped visitor centers.

The local businesses realized step by step that the park is “golden egged chicken” (as one of the restaurant owners in Gatlinburg said), and that is why they respect the idea of park participation in the local communities development planning, which in fact means participation in the tourist flow management. The concentration of too many tourists at one location limits the opportunity to enjoy nature. For that reason, opportunities are created to provide enjoyment, experiences and pleasure that are related not only to the immediate proximity of the park and its resources.

To study the tourist flows influence on nature, the Park works in close cooperation with the university communities – professors and students.

#### **4. Action Plans Development**

The study tour helped develop the ideas of the representatives of the Rila and Central Balkan NP Ecotourism Initiative Groups, and the action plans that resulted from the new information and experience, structured the future development of the groups' activities. The action plans clarified and outlined the practical steps of the initiative groups over the next six months.

My role as a consultant working constantly with the initiative groups was related to assisting them in clarifying the direction of each group's future activities and outlining the real opportunities for activity development, in view of my experience in working with the local groups and knowledge of the situation in the community and the country. My efforts were focused on coordinating the ideas for interaction between the participants in the study tour.

#### **5. Recommendations**

##### **5.1 Recommendations to USAID**

The USAID should continue to support initiatives for organizing study tours, related to the exchange of experience in the field of ecotourism, both for the existing initiative groups within BCEG Project pilot ecotourism project (with opportunities to include new individuals), and for key persons at the national level responsible for the Bulgarian ecotourism strategy development. The tour experience showed that the participants considerably broadened their ideas for the future realization of initiatives and activities to improve the ecotourism-related services, which will increase the quality of the results from the investments in the project.

It would be beneficial to support a consultancy mission of the Tennessee University, which has training programs in the field of ecotourism. The students and the professors will be able to work with the initiative groups at a higher quality level on this stage of the project to increase the level of the services offered and to develop quality standards.

##### **5.2 Recommendations to TRANSIT / World Learning**

The program was well organized and of great benefit to the participants. Due to the group specifics and the project purposes, in the future it would be beneficial to provide the participants with opportunities to observe more practical case studies and services – hotels, attractions. It will allow them to evaluate the level of the service they provide. Naturally, the meetings with representatives of hotel and tourist associations were extremely helpful for the understanding of the collaborative management, but the opportunity to observe in practice their hotels and services would be helpful as well.

##### **5.3 Recommendations to the BCEG Project Working Group**

To seek new opportunities for similar study tours to the USA and Europe to observe existing models of ecotourism products. A consultancy mission of the Tennessee University experts, who accompanied the group during their travel would be beneficial. At this stage of the project, the initiative groups are at a higher quality level of their development and have

shaped an idea about what they would like to improve. The students and the professors could assist them to develop quality standards for their services, combined with training in “professional” service delivery.

#### **5.4 Recommendations to the Initiative Groups**

To organize meetings to present the study tour experience, both for the remaining initiative group members, and for the broader public, in order to form favorable social environment for ecotourism development in the project pilot regions. To develop the initiative groups’ action plans together with the remaining members of the initiative groups. To prepare presentations of the results of their work during the study tour before the Ministry of Economy and the MOEW. To develop cooperation with the local authorities.

## Appendix 1.

**Itinerary**  
**Study Tour, November 3-18, 2001****Saturday, Nov. 3*****--Travel from Sofia, Bulgaria to Dulles, DC--***

PM Rest.

Evening: Walking tour of Lincoln Memorial and other sights on the Mall, with Richard Davis as tour guide.

**Sunday, Nov. 4**

Rest. Recommend tour of Washington, DC. Smithsonian Institution buildings, National Archives, other locations.

**Monday, Nov. 5**

9:00 WL orientation

George Washington U. Day with Dr. Donald Dawkins. Mr. Bowen and Mr. Davis attend, to insure program continuity.

**Tuesday, Nov. 6**

AM Introduction to UT program.

Action Plans - George Bowen and Richard Davis

Introduction of the needs assessment/action planning process, either based upon discussions at The George Washington University, or upon brief presentations from participants on their home situation.

Intro to Web Board follow-on activity

Visit Department of Interior (NPS) National Park Service Role of NPS; relationship with State and local organizations. Working with private sector in and around national parks. Efforts to encourage eco-tourism, and cut down overcrowding/ strain on natural settings and protected, sensitive areas.

Return to Knoxville.

Evening: Reception at home of program coordinator, R. Davis

**Wednesday, Nov. 7**

AM Brief UT Orientation to daily life in Knoxville. Banking (if necessary).

Overview: Tourism/Ecotourism Development  
George Bowen

Tourism Development in the sub-region: Cocke County, Tenn.

Eric Ogle --How local tourism councils work. Relationship between public and private sectors. Funding issues for rural county tourism activities.

PM Assessing Natural &amp; Cultural Resources for Sustainable Development G. Bowen

**Thursday, Nov. 8**

- AM Visit local office of Tennessee Department of Tourism Development  
Meet with Lee Curtis and Agnes Gorham, Regional Directors –  
Tourism marketing concepts: the Tennessee History, Music, and Craft trails. State government efforts to encourage tourism development: matching grants programs.
- 11:30 Travel to Morristown, TN. Lunch in Morristown, a stop on the Tennessee Heritage Trail. Tourism based upon history and culture, marketed to people drawn to the Upper East Tennessee region by location between Smoky Mountains and Cumberland Mountains.
- PM Meet with tourism organization. Visit community craft center (Rose Center).  
Discuss craft festival organization and management.  
Travel to Jonesborough, TN.
- 15:00 Visitors' Center. Meet with Ms. Claudia Moody, North East Tennessee Tourism Association. Organizing a festival with a cultural/historical theme (National Storytelling Festival)
- 17:00 Return to Knoxville

**Friday, Nov 9**

- 8:15 How people spend their money in ecotourism activities in the region. Report of a study in a 26-county area in Western North Carolina.  
Dr. Susan Smith, currently Ass't Prof., Health and Safety Sciences, UT, Former Community Development Specialist, and Associate Director, Mountain Resources Center, Western Carolina University.
- 9:40 Depart for Cosby, TN. Located in a rural area in the shadow of the Great Smoky Mountains National Park, and the Appalachian Trail. Discussions with Director of Tourism, Cocke County and others at the Community Center, including the organization of a cooperative for marketing of a popular hand-made craft item—quilts. Also, visit shops where another local popular hand-made craft item—dulcimers—are manufactured and sold.
- 14:00 Participate in Ecotourism adventure: Rafting on Pigeon River  
Check into the French Broad (River) Outpost Ranch (“the ranch”) in Del Rio, TN, a commercial “dude” ranch aimed at the eco-tourism trade.
- Evening: Entertainment at the ranch and/or nearby Front Porch Restaurant, which features local bluegrass music and dancing.
- Overnight at the Ranch.

**Sat, Nov. 10**

- Horseback riding at the French Broad Outpost Ranch. Meals as provided as part of the “all-inclusive package” at the Ranch.
- Continue activities at the Ranch, including discussion with owner regarding the establishment and management of his business.
- Overnight at the Ranch.

**Sunday, Nov. 11**

Survey Assessment of goods, services and facilities by participants using exit survey tools developed in Bulgaria.

Return to Knoxville.

Attend the (Smoky Mountain) *Foothills Craft Guild* Craft show.

Meet with organizers to discuss organization, sponsorship, and management of the show. Discuss value of show to local community.

Evening: Reception at the home of UT faculty member.

Program presenters, university and community members involved with and interested in Bulgaria and ecotourism will be invited for informal interaction. Invitees include Brig. Gen. Fred Forster, Chief of Staff of Tenn. Air National Guard and CEO of Blount County Chamber of Commerce. Gen. Forster was a leader in developing Partnership for Peace link between Bulgaria and the state of Tennessee.

**Monday, Nov. 12**

8:30 Depart for Great Smoky Mountains National Park

9:45 Arrive at Park

The Great Smoky Mountains National Park is the most visited national park in US; between 10 and 11 million visitors each year. Meet with US Park Service managers to discuss development and management of activities within and near the park.

14:00 Tour Pigeon Forge, a Smoky Mountains gateway community

Discussions with Sevier County Tourism Bureau on development in gateway communities. Dependence on Park, and development of independent attractions such as discount shopping and craft industry development which have transformed Pigeon Forge into a year-round tourist destination.

Return to Knoxville

**Tuesday, Nov. 13**

7:30 Depart for Cades Cove, Great Smoky Mountains National Park.

The Cove, a very popular tourist destination within the national park, is noted for wildlife viewing opportunities (mostly white-tailed deer, birds and small mammals, but also occasional bears). Also known for its beautiful natural vistas and for the preserved buildings of the former residents in the Cove. Early departure from the hotel to maximize wildlife viewing potential.

Accompanied by Mr. Herb Handly, Exec. VP of Tourism, Smoky Mountain Convention and Visitors Bureau (Blount County tourism).

Experience Your Smoky Mountains Community Organization which connects political and business leaders surrounding the park to the management issues of the park.

Continue to Tennessee Overhill Heritage Association, Englewood, TN.

Multi-county, regional non-profit organization to promote ecotourism. Meet with leaders to discuss community organization for tourism and economic development. Grants and other funding mechanisms. Cooperation between private and public sectors. Marketing of eco-tourism opportunities.

Evening: Continue to Fall Creek Falls State Park, Tennessee's premier state park.

The state's largest and best park, comprising 19,500 acres, Fall Creek Falls State Park features a lodge, a resort inn, conference meeting facility, camping, picnic areas, visitors center, swimming and boating, hiking trails, tennis courts and golf.

Meet at dinner with community leaders from nearby community to discuss how the local community has been able to capitalize its location near the park. Advantages, problems associated with location.

Overnight stay in lodge.

### **Wednesday, Nov. 14**

AM Tour of park, park services. Challenges in developing and maintaining park services.  
Drive to Nashville

PM Lee Curtis, Tennessee Heritage and Community Development, arranging State of Tennessee meetings and schedule. Includes meeting at the Tennessee State Capitol with formal greeting by State of Tennessee. Ceremonies and photos publicity opportunity.

During their visit to Nashville, the group will meet with members of the Tennessee Partnership for Peace (Tennessee National Guard). Time to be determined. The Partnership program, established by Gen. Colin Powell in the early 1990's, paired State National Guard organizations with former member nations of the Warsaw Pact. Tennessee's partner is Bulgaria. It was under the auspices of the Partnership that a Tennessee delegation, including members of Tennessee state government, visited Bulgaria in October, 2000.

Overnight in Nashville

### **Thursday, Nov. 15**

AM Meet with Tennessee Department of Tourism Development, and others as arranged by Ms. Curtis. Includes Mr. Alton Kelly, Maury County Convention and Visitors Bureau, who will talk about his experience with Heritage Trail tourism.

We anticipate, in addition, following up on the state grants program, as well as connections between National, state, and private sectors. Avenues and obstacles to twinning programs.

PM Return to Knoxville

### **Friday, Nov. 16**

AM Wrap-up discussion.  
Web Board session with Eric Ogle  
Continue working on Action Plans.

PM Completion and Presentation of Action Plans  
WL and UT evaluations

Evening: Farewell and certificate award dinner.

**Saturday, Nov 17** *Departure Day*      *--Travel from Knoxville to Dulles, DC*  
*--Depart Dulles, DC*

**Sunday, Nov 18**

***--Arrive Sofia, Bulgaria***

## Appendix 2.

**List of Participants**  
**Study Tour, November 3-18, 2001**

1. Rayna Hardalova – Ministry of Environment and Water
2. Dessislava Mihalkova – Ministry of Economy, Department of Tourism
3. Petya Kovacheva – Expert, Central Balkan National Park Directorate
4. Stefan Kirilov – Expert, Rila National Park Directorate
5. Nanko Minkov – Kalofer Park Section head – Central Balkan National Park
6. Vladimir Chapkunski – Beli Iskar Park Section head – Rila National Park
7. Hristo Konyarski – horseback riding services - Rila Initiative Group
8. Radka Moskova – Samokov Information Center - Rila Initiative Group
9. Ivan Stoynev - hotel keeper - Rila Initiative Group
10. Donka Ivanova – mayor’s office Kalofer - Central Balkan Initiative Group
11. Dobrinka Tsutsova - private business, hotel keeper - Central Balkan Initiative Group
12. Toncho Tonchev – Kalofer mountain guide group - Central Balkan Initiative Group
13. Nely Georgieva - ARD consultant

## Appendix 3.

**List of Contact Information  
Study Tour, November 3-18, 2001**

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## **Action Plans**

**Developed as a Result from the USA Study Tour, November 3-18, 2001**

- 4.1. Action Plan of the Rila NP Initiative Group.
- 4.2. Action Plan of the Central Balkan NP Initiative Group.
- 4.3. Action Plan of the Rila and Central Balkan NP Directorates.
- 4.4. Action Plan of the Representatives of MoE and MoEW.
- 4.5. Action Plan developed jointly by all Study Tour participants

**Action Plan – Ecotourism Initiative Group - Samokov, RILA NP**

Goal: Sustainable Tourism Development				
Sub-Goals:				
<ul style="list-style-type: none"> <li>• Conserving the environment</li> <li>• Increasing the tourist flow to the region</li> <li>• Increasing the business opportunities</li> </ul>				
TASKS	Action Plan			
	Strategies	Resources	Responsibility	Deadline
I Group identification	Ia/ legal consultation	Ia/ consultants	№ 1 Ivan	Ia/ 31.12.01
II Development of tourist routes	IIa/ training guides IIb/ development of routes – historical; Environmental; Educational;	IIa/ human resources IIb/ financial means	№ 2 Vladi	IIa/ 01.12.01 IIb/ 01.02.02
III Elaboration of promotional materials	IIIa/ design; IIIb/ production; IIIc/ distribution; IIId/ web-page;	IIIa/ human resources IIIb/ financial means	№ 3 Radka	IIIa/ 31.03.02
IV Promotion of the Rila NP values	IVa/ calendar of future events - festivals, craft exhibitions; sport calendars – skiing, horseback riding, biking, mountaineering, sport fishing, etc.	IVa/ human resources IVb/ financial means IVc/ relations with the municipal authorities	№ 4 Nellie	IVa/ 31.03.02
V Development of partnership mechanisms	Va/ Cooperation with the municipal authorities Vb/ Cooperation with the local communities	Va/ Initiative Group Vb/ Rila NPD Vc/ MoE and MoEW	№ 5 Lucy	Va/ 31.01.02
VI Establishment of Information Center	VIa/ Identifying appropriate locations VIb/ Design and construction	VIa/ financial means VIb/ public relations	№ 6 Radka	VIa/ 31.01.02
VII Establishment of training facilities	VIIa/ Program VIIb/ Establishment of animal hospital + herbarium of common species in Rila NP	VIIa/ financial means VIIb/ relations with the local municipalities and ministries	№ 7 Vladi	VIIa/ 31.03.02
VIII Redirection of the tourist flow			№ 8 Vladi	VIIIa/30.11.02

## Appendix 4.2.

*Action Plan of the Ecotourism Initiative Goup  
At Central Balkan National Park*

Tasks	Strategies	Activities	Responsibility	Deadline
Task 1: Certification of the available tourist services, as well as increasing their number and quality.	1.1. Engaging the local community	1. Meeting of the Study Tour team with the entire Initiative Group.	D. Tsutsova	22.11.2001
		2. Meeting of the Initiative Group with the local community	Initiative group	end of December
		3. Meeting to discuss new ideas for presenting the local tourist resources	Initiative group	
	1.2. Training the Initiative group and tourist services providers in Kalofer	1. Consultation about the legislation related to tourist services.	ARD	01.2002
Task 2: Presenting the Kalofer ecotourism product.	2.1. Establishment of Information Center.	2. Hospitality and service quality training (by groups – hotel-keepers, restaurant-keepers, guides).	Initiative group and ARD	within 3 months
		3. Legalizing the Initiative Group	IGroup and ARD	within 3 months
		1. Ensuring a building for the Kalofer Information Center.	Kalofer municipality	within 3 months
	2.2. Preparation and distribution of promotional materials.	2. Repairs and equipment for the Center.	Initiative group	within 6 months
		3. Preparing a business plan for the Center.	Initiative group	within 3 months
		1. Describing topical trails and preparing leaflets and maps for them.	Initiative group	within 3 months
	2. Developing a promotional material for the electronic media and Internet.	Initiative group	within 3 months	
	3. Placing ad billboards at the town entrances.	Initiative group	within 6 months	

## Appendix 4.3.

***ACTION PLAN OF RILA AND CENTRAL BALKAN NPD***GOAL: TOURISM DEVELOPMENT

SUB-GOALS	STRATEGIES	WHO	WHEN	CRITERIA
1. Increasing the number of short-term visitors to the park	1. Creating park attractions - Organizing specialized routes	NPD, municipalities, tourist councils, private business	Within 6 months	4-5 specialized routes for each park
	2. Providing tourist information about the park - Welcome centers - Web-page - Printed materials and information materials	NPD, municipalities, tourist councils, private business + Ministries + Ministries	Within 2 years Within 3 months Permanent	3 centers for each park 1 web-page + number of visits Demonstrated interest to the information materials, distribution
2. Increasing the incomes from tourism in the territories around the Park	1. Organizing special events - Celebrations, festivals, sport events, contests	NPD + partners (municipalities, tourist councils, private business)	Permanent	Number of tourists
	2. Improving the tourist services quality in the parks and around them - Training, certification	MoE, tourist associations	Periodic	Number of trained persons
	3. Improving the image of parks and the surrounding regions - Creating partnership image-makers associations	NPD + partners + Ministries	Within 3 months	Interest in the region by new visitors
	4. Development and marketing of tourist packages for the park regions - Tourist services inventory - Developing tourist packages - Selling through tourist organizations	NPD + tourist organizations Tourist organizations + private business Tourist associations + tourist centers	Within 3 months + periodic update Within 7 months Within 8 months	Number of inventoried sites Number of tourist packages Income generated

**ACTION PLAN**

<b>GOALS</b> – Development of ecotourism and other forms of sustainable tourism on the national scale – Supporting the activity of the Initiative Groups within the Biodiversity and Economic Growth Project				
<b>TASKS</b>	<b>ACTION PLAN</b>			
	<b>STRATEGIES</b>	<b>RESOURCES NEEDED</b>	<b>RESPONSIBILITY</b>	<b>DEADLINE</b>
1. Promoting protected areas and ecotourism opportunities	1.1 Collecting and summarizing information about protected areas, about Rila and Central Balkan regions and presenting them on the MoE and MoEW web-pages. Creating links between the pages of the two ministries, NPD, and other protected areas, visitor centers, etc.		MoE MoEW Initiative Groups National Park Directorates (NPD) others	June 2002
	1.2 Methodic assistance to the Initiative Groups in developing information and promotional materials.		MoE MoEW	Ongoing
	1.3 Assisting the Initiative Groups and NPD for the distribution of their information and promotional materials for ecotourism development at national and international tourist fairs, foreign media, etc.		MoE	On concrete occasion
	1.4 Assisting the Initiative Groups in establishing contacts between them and particular media for the realization of radio and TV broadcasts.		MoEW MoE	On occasion
	1.5 Adding events from the National Park regions to the National Calendar of Cultural Events.		MoEW MoE	Ongoing

<b>GOALS</b> – Development of ecotourism and other forms of sustainable tourism on the national scale – Supporting the activity of the Initiative Groups within the Biodiversity and Economic Growth Project				
<b>TASKS</b>	<b>ACTION PLAN</b>			
	<b>STRATEGIES</b>	<b>RESOURCES NEEDED</b>	<b>RESPONSIBILITY</b>	<b>DEADLINE</b>
2. Creating conditions for development of tourism and other forms of sustainable tourism	2.1 Developing proposals and statements on legislative documents in the field of ecotourism and sustainable development		MoE MoEW	On occasion
	2.2 Methodic assistance for biodiversity conservation and ecotourism development.		MoE MoEW NPD	Ongoing
	2.3 Providing information about international documents in the field of ecotourism to the Initiative Groups.		MoE MoEW	On occasion
	2.4 Assisting the Initiative Groups in organizing meetings and events for attracting interest to the ecotourism development and providing contact information for potential partners.		MoE MoEW	On occasion
	2.5 MoE assistance through providing information for the institutionalization of the Initiative Groups.		MoE	15.12.2001
	2.6 MoE assistance through providing consultancies on the application of the Tourism Act and accompanying regulations.		MoE	On occasion

**Note: The Action Plan** is developed by *Dessislava Mihalkova* (MoE) and *Raina Hardalova* (MoEW), within the ecotourism study tour (03-18.11.2001, Tennessee, USA) for the needs of a pilot *Project for Development of Ecotourism in the Regions of Rila and Central Balkan NP*, under ARD – Biodiversity Conservation and Economic Growth Project, funded by USAID and the Government of Bulgaria.

**Action Plan**  
**Developed by the Participants in the USA Study Tour**  
**Sofia, December 1, 2001**

*Goal: Ecotourism Development in the Pilot Regions of the Ecotourism Project.*

Strategies	Activities	Deadlines	Responsibility
1. Institutionalizing the Initiative Groups	<ul style="list-style-type: none"> <li>• Legal consultancy</li> <li>• Preliminary survey of the existing associations and statutes</li> </ul>	Mid-March	Nellie, Petya and Dessie
2. Developing routes in and around the Park, which will be included in the tourist packages	<ul style="list-style-type: none"> <li>• Providing models for routes development</li> <li>• Developing routes – in the Park, historic</li> <li>• Developing routes outside the Park</li> <li>• Developing interpretative infrastructure of the routes</li> <li>• Training interpreters (contest, preparation of contracts)</li> </ul>	January 2002	Dessie, Petya NPD Initiative Groups
3. Training and human resource development	<ul style="list-style-type: none"> <li>• Training under the Management Plans</li> <li>• Module training in hospitality</li> <li>• Training the information center staff in providing information and client services</li> <li>• Developing service certification system (information about the legislative requirements, reviewing the international certificates)</li> <li>• Exchange visits between the Initiative Groups from the two parks</li> </ul>	End of January	NPD
		Beginning of March	ARD and consultants
		June	Stefan, Petya
		June-July	Petya, Dessie
		May	ARD, Donka, Radka

Strategies	Activities	Deadlines	Responsibility
4. Marketing and advertisement	<ul style="list-style-type: none"> <li>• Consulting a marketing expert</li> <li>• Providing information about the routes, maintained by the NPD to the tourist services providers</li> <li>• Preparing information and promotional materials about the tourist services and providing it to MoE for distribution (through tourism fairs and the MoE press-office for international publications)</li> <li>• Developing a web-page about the Rila and Central Balkan tourist services</li> <li>• Periodic preparation of promotional materials for the international tourism fairs</li> <li>• Providing an Initiative Groups calendar to the international fairs</li> <li>• Adding events from the two parks to the National Calendar of Cultural Events</li> <li>• Developing a system and plan for informing the media</li> </ul>	March	ARD
			NPD
			Initiative Groups, Dessie
		June	Consultant, Initiative Groups, NPD
			Initiative Groups, NPD
		December 2001	Dessie
		December 2001	
		January 2002	Initiative Groups
5. Working with the local authorities and communities	<ul style="list-style-type: none"> <li>• Informing the local authorities about the activity of Initiative Groups</li> <li>• Submitting to the mayors of a proposal for periodic monthly meetings with the Initiative Groups</li> </ul>		Initiative Groups
			Initiative Groups

## **APPENDIX 4**

### **Concept Paper A Fund for Parks in Bulgaria**

**Concept Paper**

**A Fund for National Parks in Bulgaria**



ARD-Bulgaria  
*Biodiversity Conservation &  
Economic Growth  
Project*  
Sponsored by  
USAID & Government of Bulgaria

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Concept Paper  
A Fund for National Parks in Bulgaria

## 1. Purpose

The purpose of this concept paper is to describe a FUND – a financial mechanism that is appropriate for the long-term funding of Bulgaria’s National Parks, and over a longer term, Bulgaria’s protected area network.

The intent of a National Parks Fund (NPF) is the development of a funding mechanism that can ensure ongoing financial support for the capital development and projects associated with a system of protected areas in the country. Specifically, the NPF would continue to support the capital investment, park development projects, infrastructure, and tourism development grants that are presently supported, in part, by the Bulgarian National Environment Protection Fund.

The development of a National Park Fund will take place in phases:

**Phase 1** would focus on securing on-going financial support for Bulgaria’s three National Parks. This phase would test the organization and management of the new Fund, and based on its performance and impact, would expand.

**Phase 2** would see the purpose and scope of the Fund enlarged to address other protected areas, including those administered and managed by the Ministry of Agriculture and Forests (or Nature Parks), as well as the system of protected areas managed by the Regional Environment Inspectorates, local municipalities, and eventually, even environmental NGOs.

## 1.1 Background and Context

Pirin, Rila and Central Balkan National Parks became Directorates of the Ministry of Environment and Waters (MOEW), under the Protected Areas Act, of December 1998. Operations and maintenance costs for these new Directorates were carried by the National Environment Protection Fund until FY 2000. In 2002, national park operations and maintenance costs for the three national parks are wholly part of the national budget allocation to the MOEW.

Capital investments and infrastructure costs to date, have largely been paid for by the National Environment Protection Fund, bilateral donors, (including USAID) and the National Trust EcoFund.

Capital development includes funding for projects described by each Directorate. In the case of Rila and Central Balkan National Parks, these are described in the management plans for both Parks. Projects are administered and managed by their respective National Parks' administrations.<sup>1</sup> These projects are reviewed and approved on an annual basis by the National Nature Protection Service, and defended as part of the National Parks application for funding to the National Environment Protection Fund.

### *The NEPF*

The National Environment Protection Fund (NEPF) is provided for under national environmental legislation. A new environment protection act (with similar provision for a NEPF) is presently being developed for review and approval in parliament.

The National Environment Protection Fund is funded from taxes, levies, fines, and penalties paid in accordance with compliance on matters of environmental protection. The Fund is supervised by the Ministry of Environment and Waters, and managed by a Board of Directors, on which the Minister of the MOEW, serves as Chairman. The Board is assisted by an Executive Bureau.

The Board of Directors is "at least" 11 members, with the most significant representation from agencies parallel to the MOEW. The Board guides both the criteria and award of funds according to policy guidance provided through the second National Environmental Strategy (2001-2006), AND Government policy, annual operations plans, urgent ecological problems, and advice from a host of local authorities and councils operating under the jurisdiction of the Council of Ministers. Board meetings are required at least every two months.

The NEPF is deposited with the Bulgarian National Bank. Fund dispersal can be in the form of grants and loans. Funds can be invested in state treasury bonds, and additional revenue can accrue from liquidation and interest paid on loans granted by the Fund.

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<sup>1</sup> 10 year management plans for Rila and Central Balkan National Parks were developed with funding support from USAID under the GEF and BCEG Projects. These two management plans were approved by the Council of Ministers in June of 2001. Pirin National Park Management Plan is being developed with support from the Swiss Development Corporation, through the Bulgarian-Swiss Biodiversity Conservation Project.

The three national parks have been allocated approximately 1 million BGL for the last two consecutive years (2000 and 2001). Not all this money has been spent, and the balance has been returned to the Fund.

The NEPFund has allocated between 60 and 70 million BGL, *each year*, for the last five years.

## **1.2 More Recent Context**

As of the 2002 Financial Year, the NEPF will no longer be operated as an extra-budgetary fund. Rather, the fund will form a regular part of the State budget, and be allocated according to annual accounting and reporting procedures. While the NEPF is retained, its use will more closely parallel government expenditure planning at the beginning of each fiscal year. It is expected that the Fund will lose any discretionary aspect. This change in NEPF operation is part of the country's efforts to comply with EU requirements for fiscal management and accountability.

Clearly, there are abundant demands on the NEPFund in support of all aspects of the National Environmental Strategy. The National Parks are only one of the demands made of the Fund, leave alone the broader needs of biodiversity conservation in other protected areas, and in the country.

National Parks are again expected to receive approximately 1 million BGL for the next financial year (FY 2002). Future allocations of funds to National Parks are designed to be maintained at this level, but actual allocations of funds from within the NEPF are not yet confirmed.

## **2. Characteristics of a National Parks Fund (NPF)**

### **2.1. Focus**

This proposal is aimed at developing a **new** fund – a fund dedicated to a stable source of money, initially for National Parks, and then for other protected area infrastructure, projects, and development.

Money for this new Fund is in addition to the operational expenses of each Park. Operational expenses are considered an annual budgetary responsibility of the Government of Bulgaria (GOB). Present funding levels for operational expenses are more than justified given recent evidence regarding the commercial and personal financial value of NTNR harvesting entering the economy, from National Park territories.

Examples of park projects that could be supported by a NPF include, but are not limited to:

- Limiting impacts associated with tourism;
- Visitor access control and management;
- Park signage;

- Visitor infrastructure – shelters, camp sites, sanitary facilities, waste management, energy efficiency, etc;
- Public awareness campaigns and materials;
- Research and long-term biodiversity monitoring;
- Education and interpretation materials; and,
- Human Resource Development (staff training for rangers and park managers)

In addition, the National Parks Fund could also be used to provide financial granting/lending assistance to eco-tourism operators that provide appropriate goods and services within the Parks, from bases within their border communities. Such activities might include:

- Specialized wildlife observation,
- Specialized trekking and mountaineering activities;
- Horseback riding and mountain biking;
- Camping and campsite management;
- Interpretation and Education Courses
- Specialized mountain training courses

The NPF should provide assistance in four forms:

- (1) grants to park directorates;
- (2) payment to private contractors for goods and services requested by National Parks;
- (3) low or no-interest loans to private sector business and operators whose business is determined to be directly related to (and to benefit) Bulgarian's National Parks.
- (4) matching grants to villages, associations, municipalities, NGOs, who can match, in cash and in-kind, a grant from the NPF.

After completion of a successful first phase, this program could be expanded to cover other protected areas and businesses directly related to Bulgaria's protected area network.

## **2.2 Advantages of a National Parks Fund**

1. A NPF is a more attractive mechanism for international donors and private sector sources than pledging monies to a national government fund;
2. The National Parks Fund represents a strong donor option for financially supporting the national parks without creating new projects to support "in-situ" biodiversity conservation through protected areas;
3. Provides a direct incentive for National Parks to develop and use innovative commissions for goods, services, and facilities that directly benefit national parks management actions and multi-year plans.
4. Reinforces the use of 10 year management plans as tools for attracting private sector investments;
5. There are broader opportunities to generate funds through the NPF, thus increasing the corpus of the Fund, and providing more funds for national parks management activities;
6. As an independently managed Fund, there is greater likelihood that the NPF will be able to fundraise, again increasing the Fund's corpus (preliminary endowment).
7. Funds within the NPF might be used to leverage additional EU funding programs and opportunities – thereby helping to meet Bulgarian obligations to EU programs.

8. The preliminary success of the National Parks Fund opens up the opportunities for an extension of the Fund into support for other national protected areas – and the possible expansion of the fund into a ***Protected Areas Fund - Phase II***.

### **2.3 Establishment and Management**

The Fund should be an independent, not-for-profit, endowment, with an independent management structure.

Rather than create this management structure from scratch, we propose to employ the management structure and legal mandate of the **National Trust EcoFund (NTEF)** as an effective alternative to development of a new management mechanism. This is considered more timely, and less time-consuming and costly than development of a new funding mechanism.

The National Trust EcoFund is an established Fund management mechanism already endorsed and prescribed within the existing (and draft) Environment Protection Acts. The composition of the Managing Board and existing appointment of an Executive Bureau (and Director) is already an approved management system. The EcoFund possesses the demonstrated capacity, and abilities to manage the NPF along the lines described in this concept paper.

The NTEF have demonstrated satisfactory management of more than 20 million SFr of debt-swap funds for nature (of Swiss origin). Of equal importance, they have managed the funds for the Danish Development Agency (for municipal thermal plant renovation) and World Bank (for Pirdop, environmental clean up).

Preliminary discussions within the NTEF indicate that they could open and operate the NPF within their existing charter, with only minor modifications. There are no immediate impediments to establishment of the NPF or legal restrictions that must be addressed.

The NPF could represent a separate account within the NTEF, and its management overheads absorbed as either a percentage of fixed expenditure, or a maximum amount per year, or both.

A specifically appointed Fund management mechanism, its functions, and an advisory council could be accommodated within the present charter of the NTEF. In fact, there is a precedent for this in the operation and management of the Pirdop Project (see box).

### ERPP Pirdop - Project Organization and Management

The Environmental Remediation Pilot Project (ERPP) in Pirdop is a USD 25 million Clean-up Program, financed by:

- The World Bank - USD 16 million (loan);
- National Trust Ecofund - USD 3,3 million (grant);
- Government of Bulgaria - USD 5,7 million.

The Project is monitored on behalf of the Government by a Supervisory Committee, constituted upon Resolution No2 from January 1998, of the Council of Ministers. The Supervisory Committee consists of representatives of: Ministry of Environment and Water (Chair), Ministry of Finance, Ministry of Economy, Privatization Agency, Mayor of Pirdop Municipality, Mayor of Zlatitsa Municipality.

Upon the Agency Agreement between the Republic of Bulgaria and the National Trust Ecofund, the day-to-day project monitoring and coordination among all parties involved, is performed by the Executive Bureau of the National Trust Ecofund (NTEF), through a Project Coordination Team (PCT). The Agency Agreement was approved, prior to signing, by the Board of Directors of NTEF. The PCT performs its duties according to the requirements of the World Bank and the Government of Bulgaria. The PCT reports directly to the Supervisory Committee. The Agency functions of NTEF Project Coordination Team include:

1. **Examination** and preparation of expertise on the proposed **technical designs**. Coordination of the process for technical design approval;
2. **Examination** and **approval** of the **technical specifications**;
3. **Examination** and **approval** of the **bidding documents**, prepared by UMPC;
4. **Control** on the observation of the **bidding procedures**;
5. Examination and approval of draft contracts with contractors, suppliers and consultants;
6. Examination, **control** and approval of the **completed works**, supplies and services, including on-site examinations;
7. Detailed **control** on the withdrawals from the **Escrow account** and the disbursements of UMPC on the implementation of the project;
8. Preparation and presentation of three-month progress reports to the Oversight Committee;
9. Preparation and presentation of six-month progress reports which are subject to approval by the Oversight Committee and are presented to the World Bank, in accordance with the Loan Agreement;
10. Reporting the project implementation and the problems, emerging in the process of implementation;
11. **Preparation** and sending to the **World Bank** of **requests for withdrawal** of funds from the WB Loan.

#### *Advantages of the NTEF*

There are several distinct advantages of establishing and managing the NPF within the framework of the National Trust EcoFund:

- According to the prevailing and draft Environment Protection Act, the NTEF is one of the national sources for financing environmental protection projects in Bulgaria;
- As part of its mandate, the NTEF already exists to finance investment projects for biodiversity conservation, and on the territory of National Parks. Indeed, this last year saw their first biodiversity conservation investment on the territory of the Central Balkan National Park. This has been followed-up by additional projects at the Important Bird Areas and wetlands – Lake Atanasovsko and Lake Durankulashko;

- There may exist opportunities for partial capitalization of the NPF from within NTEF sources;
- Management, training, and office establishment costs of the NPF are largely absorbed already within the existing structure and function of the Executive Bureau of the NTEF.
- The operations and management of a NPF within the NTEF can be easily addressed through an Agency Agreement between NTEF and donors/contributors to NPF and, eventually, minor amendments to the charter of the NTEF.
- Annual reports, performance metrics, and international accounting standards are already functions of the NTEF. Their operations already meet international donor requirements.
- The management structure and performance of the NTEF, to date, appear to offer the most opportunities for successful management of a NPF. The NTEF also offers creative alternatives and flexibility for attracting international/national private and donor funding.

## **2.4 Governance and Operations of the National Parks Fund**

The Fund will be supervised by a Governing Committee, and operated through the National Trust EcoFund.

- The Governing Committee of the NPF will be constituted and operate with the approval of the Board of Directors of NTEF. The NTEF Board of Directors shall be informed of all activities of the NPF as part of its regular reporting, and perform due diligence.
- The Executive Bureau of the NTEF shall serve as the managers for the day-to-day operations of the NPF, with modifications to staffing as appropriate, and necessary.
- The NTEF Board of Directors Chairperson, and the Chairperson of the Governing Committee of the NPF, will represent the collective decisions of their respective bodies. In this respect they shall both appoint and approve the Director of the Executive Bureau.
- The Governing Committee of the NPF shall include donors (contributors) that provide 10% or more of monies expended in each year, and a representative of each of the Park Directorates, as well as a representative of the Ministry of Environment and Waters.
- The Governing Committee of the NPF will review and approve applications for funding according to predetermined priorities, procedures, and formats.
- The Fund should organize an *Advisory Council* composed of representatives of municipalities surrounding the parks;
- The Advisory Council should also include representatives of private-sector businesses and NGOs associated with the National Parks.

- The Advisory Council shall have no voting powers, but rather shall serve to provide feedback on the Fund and the management/investment decisions of the Governing Committee.

The NPF shall have specific expenditure priorities identified in a charter/statutes. No funds shall be allocated for other purposes until the NPFund fulfills those basic priorities on an annual basis.

## 2.5. Funding and Financial Management Issues

The NPF should be able to receive monies from national and international sources, including but not limited to:

- the National Environmental Protection Fund;
  - the National Trust EcoFund;
  - multi-lateral and bi-lateral donors;
  - foreign, private foundations;
  - interest on loans
  - businesses and individuals
- The Fund should be capable of administering monies received as monies that pass-through the Fund and are managed by it, or as endowments. The total administrative expense of the Fund should not exceed 15% of monies allocated in each fiscal year. This depends however, on the level of supervision the Fund is asked to perform.
  - The NPF should not require a specific size in order to operate, but the financial objective of the Fund is to achieve a sufficient size to guarantee that the capital costs and project development needs of the National Parks, are met on a consistent basis.
  - The target for minimum **annual** grants and loans to the three National Parks from the Fund is recommended to be **one million BGL** for the first phase of its operations
  - The endowment target to ensure this annual allocation is **20 million BGL**. This figures aims at maintaining the one million BGL as an annual pay-out to national parks. If 5% of the original endowment is paid out annually, this assumes an endowment of at least 20 million BGL.
  - Funds from the corpus (original endowment) should be available for investment. Generally the funds should be treated very long term as an investment strategy.
  - If possible, the Fund should be allowed to be invested in western European indexes and bond markets. This is in keeping with the spirit of accession to the EU. If funds are managed for investment purposes, then careful consideration should be given to a third party professional money manager. Typically this is calculated as 1% of total funds under management.
  - The Fund should consider a percentage allocation of monies for fundraising – and efforts should be made by the Fund’s managers to increase the endowment

of the Fund. This would be an important part of Phase 1 of the Funds operation, as well as a benchmark against which Fund managers would be evaluated.

- Eventually, the Fund should be capable of receiving funds generated by the protected areas as a result of commissions that generate cash income.

## **2.6. Performance Requirements**

The Fund should be capable of meeting administrative and auditing norms for each donor.

- The fund should provide specific performance metrics for grant and loan recipients, related to: a) project implementation milestones, and b) environmental impact guidelines.
- The Fund should develop performance metrics for achieving its own overall objective of providing effective assistance to Bulgarian National Parks, as a priority, during Phase 1. Progress towards these objectives should be measured on an annual basis, made available to donors and the public in the form of an annual report (hard copy and on the internet), and should be independently verified.

## **3. Issues and Actions**

A National Parks Fund must be realized in relatively short period of time. International donor strategies for support to national parks and biodiversity conservation are presently examining new ways to finance long-term conservation, and to disengage from more direct project activities.

There are at least three, major, international donors to biodiversity conservation in Bulgaria who could be interested in supporting such a mechanism. They are the United States (through USAID), the Swiss Government, through the Swiss International Development Agency, and The United Nations Development Program, possibly through the Global Environment Facility. Other interested donors, such as the French, Government of Monaco, and opportunities through the EU – Life Program, could be accommodated as they arise.

In order to capture successfully the interests and funding commitments of donors to a NPF, the GOB will need to demonstrate a commitment soon. To establish the NPF and attract significant donor and private sector support, we recommend an initial capitalization from the GOB, through the NEPF, between 10-15 million BGL. A GOB contribution of this proportion would be a compelling argument for matching funds from the international community and private sources. A similar amount should be matched simultaneously by the donor community.

In order to catalyze the development of this Fund, the ARD-BCEG Project has conducted preliminary discussion with relevant GOB authorities. They have approved this concept. The Project is now prepared to:

1. Determine the interest of Donors and to facilitate the discussions between the GOB and donors regarding the NPF's establishment and capitalization;
2. Liaise with the Executive Bureau of the NTEF to develop the tools and procedures to incorporate the NPF within the EcoFund;
3. Finance the preliminary stages of the NPF's establishment, including development of operational criteria, management procedures and structures, and statutes, that support the Fund;
4. Provide expert international technical assistance to develop the dimensions, capitalization/investment strategy, and operationalization of the NPF.

We expect the conditions for a **National Parks Fund** will be developed promptly, resulting in establishment of the Fund by October 2002.

Sofia, Bulgaria  
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The Biodiversity Conservation and Economic Growth (BCEG) Project is funded by the United States Agency for International Development, (USAID), as part of its strategic support to the Republic of Bulgaria. The Project is sponsored by USAID in conjunction with the Government of Bulgaria – the Ministry of Environment and Waters (MOEW). The Project is governed by a Memorandum of Understanding (MOU) between the two governments, and its implementation covers the period: May 2000 – October 2002.

This Project is a logical evolution of earlier USAID assistance to biodiversity conservation in the country. It follows some 10 years of assessment, technical assistance and financing of Bulgaria's biodiversity conservation strategic development, new protected areas legislation, and new national park institutions. The Project is designed to capitalize on the achievements of the Bulgaria Global Environmental Facility (GEF) Biodiversity Project (implemented during the period June 1995-April 2000), and builds on lessons learned.

The BCEG Project addresses six specific contract themes known as "contract result packages". The BCEG Project includes the finalization and implementation of two national park management plans, the development of a new management plan for Rila Monastery Nature Park. It assists in the development of financial mechanisms and strategies to ensure the solvency of national parks. The Project pilots economic growth activities with select target groups around two Bulgarian national parks. And it continues to build on the principles of strong public information and awareness as stepping stones for informed public engagement and promotion of biodiversity conservation and protected area management activities.

This Project is issued as a Task Order (Contract Number LAG-I-00-99-00013-00) under the USAID Global Biodiversity and Forestry Indefinite Quantities Contract (IQC); and is implemented on behalf of USAID by Associates in Rural Development, (ARD) Inc., of Burlington, Vermont, USA.

The Project is implemented through a Project Management Unit (PMU) based in Sofia, and includes a Team Leader, three Bulgarian technical specialists, and support staff. Project activities are coordinated through two mechanisms –

- (a) Project Counterpart Team – PMU staff and MOEW/NNPS counterparts
- (b) Project Coordination Group – that serves as a steering committee for Project planning and monitors implementation. This consists of the National Nature Protection Service of the MOEW, and national park directors, the PMU and USAID.

The Project is largely implemented through the Directorates for Rila and Central Balkan National Parks. Additional technical assistance is provided by Bulgarian and international consultants, and is based on specific terms of reference.