

**EUROPEAN  
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NETWORK  
ON CULTURE  
(EENC)**

***Culture and the Structural Funds  
in Bulgaria***

by Dr. Lidia Varbanova

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This document has been prepared by Dr. Lidia Varbanova on behalf of the European Expert Network on Culture (EENC).

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The EENC was set up in 2010 at the initiative of Directorate-General for Education and Culture of the European Commission (DG EAC), with the aim of contributing to the improvement of policy development in Europe. It provides advice and support to DG EAC in the analysis of cultural policies and their implications at national, regional and European levels. The EENC involves 17 independent experts and is coordinated by Interarts and Culture Action Europe.

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## **1. Background and Methodology**

### **1.1. Background**

In June 2012, the Directorate General for Education and Culture of the European Commission (DG EAC) submitted a request for an expert contribution on behalf of the European Expert Network on Culture (EENC), involving the preparation of seven ad-hoc papers to analyse how the cultural and creative sectors could foster regional and local development in seven EU Member States. Following a similar initiative carried out previously for France, Germany, Greece, Italy, Poland and Spain, DG EAC asked for new analyses to focus on Bulgaria, the Czech Republic, Hungary, Ireland, Portugal, Romania and Slovakia.

The request arose in the framework of the design and negotiation of the EU's Cohesion Policy and the Operational Programmes for the funding period 2014-20. In this context, the Commission is preparing internal 'negotiation mandates' that will identify the type of investments that should be prioritised, based on an analysis of the national and regional economic outlook of past and current spending and the identification of potential for development and structural weaknesses to be addressed. The mandates will allow the Commission to discuss 'Partnership contracts' with Member States, which should ultimately set the strategy, priorities and arrangements for using the Common Strategic Framework (CSF) Funds in an effective and efficient way to achieve the EU 2020 objectives of '*smart, sustainable and inclusive growth*'.

Initial documents for the design of the CSF of the Structural Funds 2014-2020 have identified a number of areas in which culture can contribute to the achievement of EU objectives in this field, including the role of creative clusters and the cultural and creative industries (CCI) in 'Strengthening Research, Technological Development and Innovation'; the CCI and new forms of tourism in 'Enhancing the Competitiveness of the small and medium enterprises (SMEs)'; cultural heritage and the rehabilitation of cultural infrastructures in 'Protecting the Environment and Promoting Resource Efficiency'; and the development of creative skills and creativity in 'Investing in Education, Skills and Lifelong Learning.'<sup>1</sup> In any case, it can also be argued that the approach taken by preliminary documents regarding the place of culture in regional development may seem slightly narrow.

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<sup>1</sup> See: European Commission, 'Elements for a Common Strategic Framework 2014 to 2020' Part I: [http://ec.europa.eu/regional\\_policy/sources/docoffic/working/strategic\\_framework/csf\\_part1\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part1_en.pdf)  
Part II: [http://ec.europa.eu/regional\\_policy/sources/docoffic/working/strategic\\_framework/csf\\_part2\\_en.pdf](http://ec.europa.eu/regional_policy/sources/docoffic/working/strategic_framework/csf_part2_en.pdf)

The main aim of this paper is thus to enable DG EAC to identify the potential for strengthening the role of culture in the Structural Funds' 'Partnership contract' with Bulgaria by providing a critical analysis of how 'the unused potential of cultural and creative sectors' can foster regional and local development in this country. The main focus of the research is on the Funds which have an impact at local, regional and national level (particularly the European Regional Development Fund and the European Social Fund). Attention has also been paid to cross-border and interregional funding where this was deemed relevant for the purposes of territorial development, growth and jobs.

The process of "Europeisation" of the Bulgarian cultural policy began after 1989 with the help of different forms of civil society structures – private arts organisations and non-profit structures started to be formed across the country. Alternative forms of financing for culture have also emerged – coming from diverse international foundations and donors, private philanthropy sources and others. A series of cultural reforms have been conducted in the past twenty years, highlighting the following main objectives<sup>2</sup>:

- decentralisation of culture both in terms of decision-making and financing;
- establishment of market-oriented behaviour and attitude in the field of arts and culture;
- improving the legislation in the cultural sector in order to meet the new changing realities and to be harmonized with the European Union legislative system;
- impact on the development of cultural industries and -especially- cultural tourism;
- strengthening of the role of the non-governmental sector.

Currently Bulgaria has no well defined and widely announced national cultural strategy or an elaborated model of cultural policy. As a consequence, the strategic objectives on the regional and local level are also partial and fragmented. During the years of transition, the structure of the Ministry of Culture has been changed many times. With a Resolution of the National Assembly since 16th of August 2005 the Ministry is again restructured and renamed as Ministry of Culture<sup>3</sup>.

There are six main regions of Bulgaria – North-West, North-Central, North-East, South-West, South-Central and South-East regions. Decentralization in the field of culture is regarded as one of the top priorities, but still creating problems. The central government still retains partial control over cultural activities across the country. Local

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<sup>2</sup> Source: Compendium of Cultural Policies and Trends in Europe: Bulgaria: <http://www.culturalpolicies.net/web/bulgaria.php?aid=21> (updated January 2011).

<sup>3</sup> Source: Ministry of Culture, Republic of Bulgaria website: <http://mc.government.bg/page.php?p=270&s=274&sp=0&t=0&z=0>

governments, even if eager to obtain greater autonomy, prefer to leave the main financial decision in the arts and culture sector in the hands of the central government. The joint financing of cultural organisations and projects both by the national and municipal budgets was an achievement in the recent years, although in many cases the municipalities do not always keep their part of the financial deal due to permanent financial problems on local level and the need to allocate the limited funding to other pending areas that take a higher priority in the list of political objectives. Despite evidence of strategies and planning documents on city and municipal level, the regional and local cultural strategies across the country have not still been implemented in their vast majority.

An important trend in the country is that the non-governmental sector is slowly influencing the shaping of the national cultural policy process, although it is still quite weak and unstructured to make a solid difference. The dialogue between the official decision-makers in the field of culture and the civil-society sector representatives is still sporadic and quite difficult, overwhelmed by very different political and personal agendas of key individuals and influencing groups in the sector.

Following this introduction and starting with a short description of the used methodology of research, the paper presents an initial overview of how culture has been integrated in the implementation of the Structural Funds in 2007-2013 (Chapter 2). It then goes on to analyse the strengths, weaknesses, opportunities and threats for the cultural and creative sectors, mainly in the light of local and regional development objectives and the development of culture and creative industries (Chapter 3). Finally, the paper closes with a section that identifies potential priorities for the European Commission's negotiation mandate with Bulgaria with a view to the implementation of the Structural Funds in 2014-2020 in light of the main priority areas and specific thematic objectives in light of the country's specificities (Chapter 4).

## **1.2. Methodology**

The methodology for writing this report is based on two main methods:

- Literature review and desk research (both online and offline): a review of background documents, articles, research papers, research work, websites, media sources, viewpoints and statistical resources related to the scope of the current study. These resources cover:
  - European Union programmes, strategies and documents;
  - General theoretical resources, research and studies related to the scope of the study;

- Official documents, research papers, websites and other references in Bulgaria<sup>4</sup>.
- Qualitative research, based on two types of questionnaires<sup>5</sup>. The questionnaires targeted:
  - Directors and managers of European Union funds and programmes for Bulgaria, officials from the Ministry of Culture and other official institutions;
  - Directors and managers of cultural organisations and projects-beneficiaries of the EU Structural Funds.

The questionnaires were sent to 25 experts, out of them 15 key experts and directors of operational programmes answered to the research request<sup>6</sup>. The author of this report would like to express sincere gratitude for their time and contribution. The survey was held in the period July 15-August 3<sup>rd</sup> 2012. In several cases, there were follow up telephone interviews for further clarification and details.

There are several limitations in elaboration of the current analysis:

- The reviewed resources were mainly in Bulgarian language. All interviews and qualitative survey with key professionals were held in the local language. The author of the report had to translate a huge amount of information, as most of the official documents and research work on the country exist only in Bulgarian language.
- The summer period (July-August 2012) was quite difficult to conduct interviews and survey among key officials. It took much more time and efforts than the initially planned in the consultant's time. It is important to emphasize that all directors of operational programmes responded to the questionnaire.
- All figures in the documentation and databases related to the Structural Funds and their spending in the cultural sector in Bulgaria are collected in the national currency leva, and not in Euro. Therefore, part of this report, related to concrete figures and spending on national level is given in the national currency<sup>7</sup>.

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<sup>4</sup> See: Appendix 2: References.

<sup>5</sup> See: Appendix 4: Questionnaires.

<sup>6</sup> See Appendix 3 .List of experts, contributed to the current study.

<sup>7</sup> The rate exchange of BGN to Euro is 1.00 EUR = 1.95 BGN, Bulgarian National Bank rate exchange

## **2. Culture and the Structural Funds 2007-2013 in Bulgaria**

### **2.1. General framework and basic data**

The EU Cohesion Policy, also referred to as *regional policy*, covers three main funds – the European Regional Development Fund (ERDF), the European Social Fund (ESF) and the Cohesion Fund (CF). The ERDF and the ESF jointly make up the EU Structural Funds. Cultural projects and organisations in Bulgaria are supported mainly through the ERDF.

Bulgaria will receive €6 853 billion in total for the period 2007-2013: €6 674 billion under the Convergence objective and €179 million under the European Territorial Cooperation objective. To complement the EU investment under the National Strategic Reference Framework (NSRF), Bulgaria's contribution is planned to amount to at least €1 345 billion<sup>8</sup>. The NSRF has been elaborated in line with Article 27-28 of the Council Regulation (EC) No 1083/2006 of 11 July 2006 outlining the general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund.

Table 1 represents the basic macroeconomic data of the Structural Funds for Bulgaria for the 2007-2013 planning cycle. The data represents not the effective use of the funds, but their initial allocation at the beginning of the planning period.

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<sup>8</sup> Source: Cohesion Policy 2007-2013. National Strategic Reference Framework. European Union Regional Policy, p. 16.: [http://ec.europa.eu/regional\\_policy/atlas2007/fiche/nsrf.pdf](http://ec.europa.eu/regional_policy/atlas2007/fiche/nsrf.pdf).

**Table 1: Structural Funds 2007-2013 in Bulgaria (General data, in EUR and %)**

	Million €	%
<b>Total EU Structural Funds allocation</b>	<b>6,853</b>	<b>100.0</b>
<b>a. Convergence Objective</b>	<b>6,673</b>	<b>97.4</b>
<b>Cohesion Fund</b>	2,283	
<b>ERDF (European Regional Development Fund)</b>	3,205	
Convergence	3,205	
Phasing-out	-	
<b>ESF (European Social Fund)</b>	1,185	
Convergence	1,185	
Phasing-out	-	
<b>b. Regional Competitiveness &amp; Employment Objective</b>	-	-
<b>ERDF</b>	-	
Regional Competitiveness & Employment	-	
Phasing-in	-	
<b>ESF</b>	-	
Regional Competitiveness & Employment	-	
Phasing-in	-	
<b>c. European Territorial Cooperation Objective</b>	<b>179</b>	<b>2.6</b>
<b>Source:</b> European Commission, Cohesion Policy 2007-13: National Strategic Reference Frameworks (Luxembourg: Office for Official Publications of the European Communities, 2007), ISBN 978-92-79-07465-3		
<b>NB:</b> Data presented in this table is based on the initial national and regional programmes and may have varied afterwards.		

The total EU assistance is split between the three funds as follows: European Regional Development Fund (ERDF) - €3 205 billion in funding; € 1 185 billion from the European Social Fund (ESF) and € 2 283 billion from the Cohesion Fund (CF). The table shows that almost half of the resources are concentrated in the ERDF. The NSRF does not cover the operational programmes within the European Territorial Cooperation objective.

Figure 1 below presents the breakdown of ERDF and ESF by themes as proposed by Bulgaria at the beginning of the planning cycle. As it is shown, culture takes 2.0% of the total budget of the ERDF/CF and is below the 2.2% EU average. Culture is not explicitly mentioned as a theme in the ESF, but has a role to play there, which is one of the main focuses of the current research and analysis.

**Fig 1: Breakdown by theme as proposed by Bulgaria in its draft operational programmes**

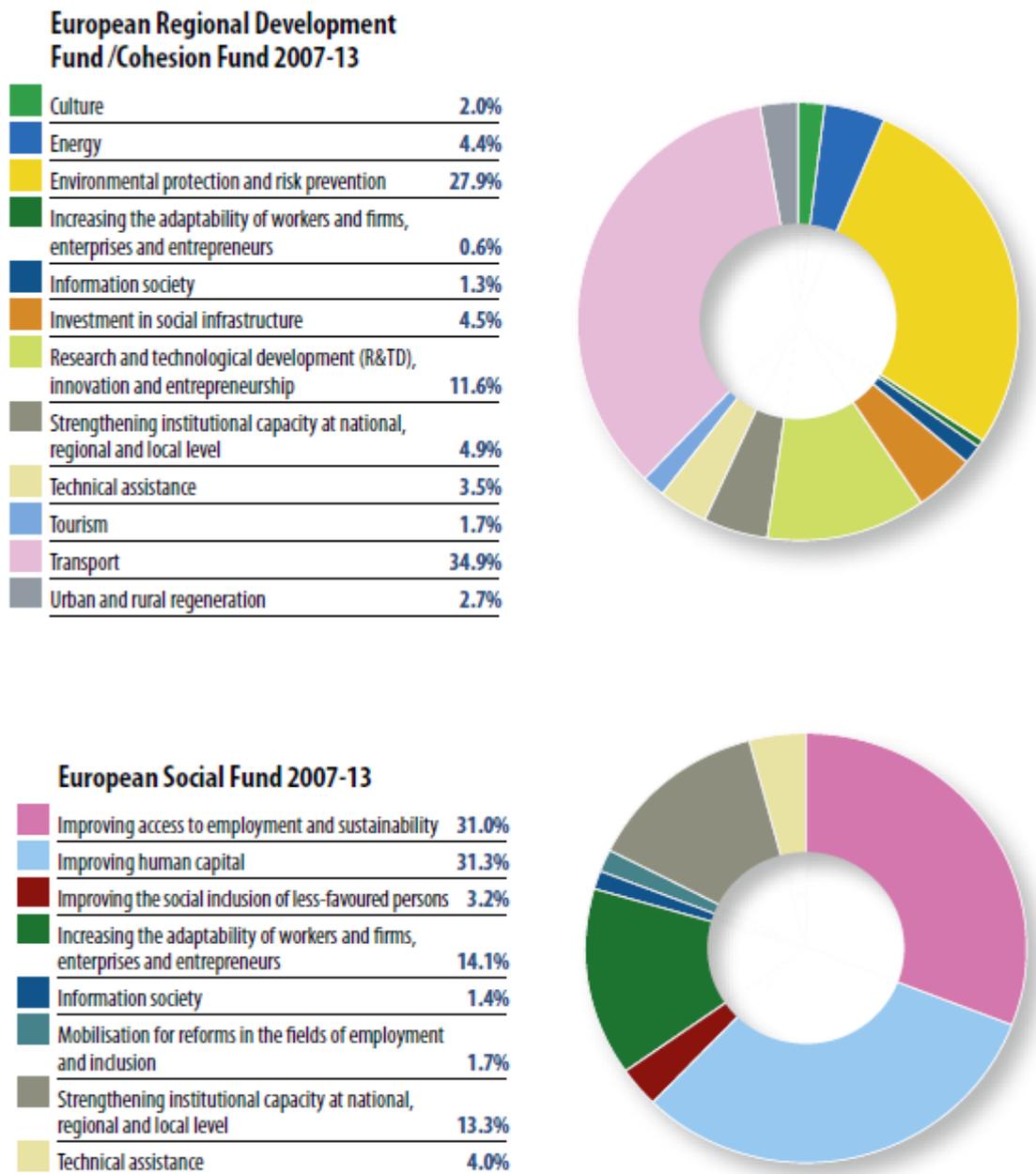


Table 2 provides an overview of the role of culture in the Structural Funds programming both for EU and for Bulgaria<sup>9</sup>.

**Table 2: Culture and the Structural Funds 2007-2013 in Bulgaria and EU. General data at national level, in EUR and %**

	Bulgaria		EU	
	Million €	%	Million €	%
SF amount (Convergence + RCE)	6,673	100.0	344,322	100.0
Amount dedicated to culture, of which:	108	1.6	5,966	1.7
Protection & preservation of heritage	60	(55.8)	2,934	(49.2)
Development of cultural infrastructure	48	(44.2)	2,233	(37.4)
Other assistance for cultural services	0	-	798	(13.4)

**Source:** European Commission, 'Cohesion Policy 2007-2013: Culture', May 2010.  
**NB:** Figures presented on this table do not include funds allocated to the European Territorial Cooperation Objective.

In aggregated percentage, the spending for culture within the ERDF in Bulgaria is 1.6%, which is almost near to the average for the EU countries – 1.7%. Out of the total amount dedicated to culture for the planning period (2007-2013) – €108 million, 55.8% is planned for the direction “Protection and Preservation of Cultural Heritage”. This is a higher percentage than the EU average – 59.2%. The second major area for allocating funding is Development of Cultural Infrastructure – 44.2% - also higher than the EU average of 37.4% for this funding area.

It is important to note that Bulgaria is one of only seven Member states that do not devote any resources to the category “Other assistance to cultural activities”.

Table 3 provides an overview of the spending for culture in the ERDF Regional Operational Programmes. From the table it is clear that in according to the initial programming in 2007, all the funds allocated to culture by the ERDF are channelled via the Operational Program “Regional Development”. Note that there is a slight discrepancy between the allocation to cultural heritage given in Table 3 (€ 65 million) and that provided in Table 2 (€ 60 million) – the latter is based on a compilation document on the Structural Funds and culture, prepared by the European Commission at a later stage, and not on the original ERDF documents.

<sup>9</sup> The figures in Table 2 are based on the existing operational programmes, given at: <http://www.eufunds.bg>, as well as information provided by the European Commission at the outset of the 2007-13 period.

**Table 3: Culture in the ERDF Regional Operational Programmes. Figures per region and topic, in EUR and %**

	Million €			% of total funds for the relevant programme
	Protection & preservation of cultural heritage	Development of cultural infrastructure	Other assistance to improve cultural services	
<b>Convergence regions</b>				
NOP Transport	-	-	-	0%
NOP Environment	-	-	-	0%
NOP Regional Development	65	48	-	8.3%
NOP Competitiveness	-	-	-	0%
NOP Technical Assistance	-	-	-	0%

**Source:** information obtained from the individual Operational Programmes, accessible via [www.eufunds.bg](http://www.eufunds.bg).  
**NB:** Information above is based on the amounts allocated to categories of expenditure 58-60 in the common framework of the ERDF's Regional Operational Programmes 2007-2013, which refer to culture. Other expenditure for cultural activities, services and infrastructure may be included under other categories (e.g. tourism).  
 Figures given in this table are mostly taken from the initial framework planning in 2007; changes may have been introduced thereafter.

## 2.2. General vision and strategic objectives

The Bulgarian vision for development as an EU member state, which is set up in the NSRF for Bulgaria, is<sup>10</sup>:

**By 2015 Bulgaria to become a competitive EU country with high quality of life, income and social awareness.**

The long term vision for Bulgaria combines two specific medium-term **goals** for the duration of the 2007-2013 programming period. These have been developed, based on the EU priorities and are in line with the Community Strategic Guidelines (CSG):

- Strengthen the competitiveness of the economy to achieve high and sustainable growth;
- Develop human capital to ensure higher employment, income and social integration.

The NSRF's core targets refer to high and sustainable economic growth, raising the competitiveness of the economy, developing human capital and ensuring higher

<sup>10</sup> Reference: National Strategic Reference Framework, Programming period 2007-2013, Republic of Bulgaria, p.58.

employment and income as well as better social integration. To achieve these targets, the Bulgarian NSRF is based on **four strategic objectives and priorities**:

- **First, improving basic infrastructure** through construction and upgrading of roads and railways, information and communication technology, environmental infrastructures for wastewater and solid waste collection and treatment, natural risk prevention measures (floods), sustainable energy and gas distribution networks.
- **Second, increasing the quality of human capital with a focus on employment** by developing a skilled and adaptable labour force, promoting occupational health and safety, supporting education, training and life-long learning, raising the level of social inclusion and improving the quality of social services and healthcare.
- **Third, fostering entrepreneurship, a favourable business environment and good governance** by supporting innovation, cluster development, business start-ups, modern management and sustainable production, facilitating venture capital for micro, small and medium-sized enterprises, as well as promoting good governance in national, regional and local administrations and supporting reform of the judicial system.
- **Fourth, supporting balanced territorial development** - through integrated urban development, investing in human capital and basic infrastructure in rural areas (contributing towards the National Strategy Plan for Rural Development), creation and modernisation of transport systems, training, tourism development, local business development, and preservation of natural and cultural heritage.

### 2.3. Operational Programs

These four general strategic priorities are “translated”, organized and presented in Bulgaria into seven key Operational Programs:

- Regional Development (ERDF)
- Human Resources Development (ESF)
- Development of the Competitiveness of the Bulgarian Economy (ERDF)
- Administrative Capacity (ESF)
- Technical Assistance (ERDF)
- Transport (ERDF+CF)
- Environment (ERDF+CF)

The absence of an agreed and well formulated national strategy in the arts and culture sector, as well as lack of clear cultural dimensions in the regional strategies for economic and social development in the country, lead to the relatively peripheral place of culture in the Operational Programs. The NSRF refers to the cultural sector only in paragraph 2.1.5. "Territorial development" where it is emphasized that: *"In addition to the rich natural heritage Bulgaria also has an attractive network of cultural-historic resources. The considerable tourism potential is demonstrated by the nine sites included in the UNESCO World Heritage list – seven cultural and two natural, more than 600 mineral springs, thousands of local cultural and traditional attractions, more than 5% of the national territory in protected area status, over 30,000 historic monuments, 36 culture reserves, 160 monasteries, 330 museums and galleries."*<sup>11</sup>

Operational Program Regional Development 2007-2013 is the only one that refers directly to supporting culture and cultural heritage. For example, operation 1.1. on Social Infrastructure clearly states as a specific objective *"to ensure appropriate and cost effective, educational, health, social care and cultural infrastructures consistent with future demands of the cities and their surrounding urban areas"*<sup>12</sup>. The ERDF-funded Operational Program on support of the Competitiveness of the Bulgarian Economy does not support directly cultural projects and initiatives. It funds small and medium-sized enterprises in all sectors, including the ones operating in media, culture and the creative industries. The two ESF-funded Operational Programs also support indirectly cultural projects, respectively related to the field of intercultural education, as well as building up of administrative capacity in the cultural sector (specific information and granted projects are provided below). Information about these four OPs is presented hereafter.

### **2.3.1. OP Regional Development**

The OP Regional Development is run by the Ministry of Regional Development and Public Works (MRDPW)<sup>13</sup>. One of the main priorities of the program is to support the infrastructure in the field of culture and tourism and to encourage cultural projects and events that are based on preservation of the national and regional cultural material and non-material heritage. The program also supports the development of sustainable cultural and touristic destinations. It finances projects aiming at enriching of the cultural life through organizing and promotion of cultural events focusing on the identity and uniqueness of the regions and cities across the country.

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<sup>11</sup> Reference: National Strategic Reference Framework of Bulgaria, Programming period 2017-2013. Republic of Bulgaria., P.52.

<sup>12</sup> Reference: Operational Program "Regional Development" 2007-2013, Ministry of Regional Development and Public Works, Directorate General "Programming of Regional Development", Bulgaria: [http://ec.europa.eu/regional\\_policy/country/prordn/details\\_new.cfm?gv\\_PAY=BG&gv\\_reg=ALL&gv\\_PGM=1061&LAN=7&gv\\_per=2&gv\\_defl=7](http://ec.europa.eu/regional_policy/country/prordn/details_new.cfm?gv_PAY=BG&gv_reg=ALL&gv_PGM=1061&LAN=7&gv_per=2&gv_defl=7), p.102.

<sup>13</sup> MRDPW website: [www.mrrb.government.bg/index.php?lang=en](http://www.mrrb.government.bg/index.php?lang=en)

There are 12 main program areas (schemes) under OP Regional Development for supporting projects in the field of cultural tourism, culture and education, cultural heritage, culture and social problems. The total allocated amount for these program areas for the planned period 2007-2013 is 448 million BGN. This represents 14% of the overall budget of the OP Regional Development. Detailed information is given below. There are 180 contracts signed by July 2012 for the planning period 2007-2013 for financial support of projects and organisations in the above mentioned program areas, at the total amount of 382,6 million BGN. The other 66 million BGN are allocated to projects to be financed by the end of the planning period (2013) under the following schemes: "Support for development of natural, cultural and historical attractions", "Support for development of regional touristic products and marketing of touristic destinations", "Restoration and conservation of the Palace "Evksinograd" and its adjoining park" and "Support of suitable educational, social and cultural infrastructure aiming at development of sustainable urban areas".

It is expected that the successful realization of the granted projects will increase international prestige of Bulgaria, will attract visitors and will assist cultural participation to museums and architectural sites. The long-term goal is to transform Bulgarian cities and regions into better places for living, and vivid centres of culture and economic activities.

Out of the 12 main program areas for financing projects in the field of culture, arts, education in the arts and culture, cultural tourism under the OP Regional Development., the Ministry of Culture is a direct beneficiary of two program schemes:

- "Support for effective and suitable state cultural infrastructure, aiming at development of sustainable urban areas". The maximum total amount of grants awarded under the scheme is 48 512 679.31 BGN, with 15 contracts signed with beneficiaries (See Appendix 5).
- "Support for cultural monuments of national and global importance contributing to the sustainable tourism development" The maximum total amount of grants awarded under this scheme is 33 352 335 BGN, 10 contracts with beneficiaries are signed (See Appendix 5).

All projects financed under these two program schemes are under the general theme announced at the beginning of the 2007-2013 planned period: "Development of cultural infrastructure". The main aim is the improvement, modernization, reconstruction, and update of the infrastructure in the field of culture – theatres, libraries, cultural centers, opera houses, community centers, concert halls and other cultural organisations.

The other ten program schemes are related to the second general theme, announced at the beginning of the planned period (2007-2013): “Protection and preservation of heritage”, including cultural and historical sites, cultural and historical monuments, historical and natural attractions, innovative events, as well as marketing and advertising of cultural heritage.

The aims, activities, budget framework and operational status of the 12 schemes under OP Regional Development are given below:

- ❖ **Support of suitable educational, social and cultural infrastructure aiming at development of sustainable urban areas (BG161PO001/1.1-01/2007)**

**Published:** 2007

**Aim:** Improving quality of life and quality of work by better access to main services and new opportunities for regional competitive advantage and sustainable development.

**Possible beneficiaries:** municipalities.

**Budget:** 35 million BGN.

**Activities:**

- Reconstruction, repairing and equipment of cultural centers, theatres, community centers, libraries, and other cultural organisations.
- Elaboration of schemes for energy efficiency.
- Improvement of access for people with limited mobility.

At present this scheme is finalized, with the available budget already spent.

- ❖ **Support for effective and suitable state cultural infrastructure, aiming at development of sustainable urban areas (BG161PO001/1.1-05/2008).**

**Published:** 2008

**Aim:** Providing appropriate and effective public cultural infrastructure, contributing to the development of sustainable urban areas.

**Beneficiary:** Ministry of Culture.

**Budget:** 50 million BGN.

**Activities:**

- Repair, reconstruction, renovation of cultural institutions that are property of the Ministry of Culture (MK), including cultural centers, theaters, opera houses, community centers, libraries, concert halls and other facilities related to cultural life.
- Delivery of appropriate equipment for buildings of cultural institutions, owned by the MK;
- Conduct energy audits in buildings owned by cultural institutions under the management of MK.
- Implementation of energy efficiency measures including insulation, replacement of windows, local plants and / or links to heating systems, gas at the premises of state-owned cultural institutions under the management of MK.
- Implementation of systems / facilities based on the use of alternative renewable energy sources in buildings that are under the management of MK.
- Improve access for people with disabilities to buildings of cultural institutions under the management of MK.

❖ **Support for creation and promotion of innovative cultural events**  
(BG161PO001/1.1-10/2010)

**Published:** 2010

**Aim:** Increasing the role of culture as a motor in the process of renovation and development of urban areas.

**Possible beneficiaries:** Municipalities.

**Budget:** 20 million BGN.

**Activities:**

- Organization and/ or implementation of innovative cultural events and best practices in order to enrich cultural life and increase the attractiveness of settlements in the agglomeration areas and emphasize the local identity.
- Activities related to public awareness, promotion and advertising of ongoing innovative cultural events.
- Small-scale infrastructure activities related to organizing of innovative cultural events (creation of an accessible built environment for people with disabilities, implementation of development activities and / or landscaping of spaces, repair,

reconstruction, renovation of buildings directly related to the implementation of innovative cultural events).

- Provision of adequate equipment and furnishings associated with organized events: the purchase of technical equipment and facilities (scenes, fencing, sound, lighting and video equipment, multimedia, screens, etc.).

At present this scheme is finalized, with the available budget already spent.

- ❖ **Support for cultural monuments of national and global importance contributing to the sustainable tourism development** (BG161PO001/3.1-01/2008)

**Published:** 2008

**Aim:** Support the development of cultural monuments of national and global importance - under the management of the Ministry of Culture, which contribute to the development of sustainable cultural tourism, diversify the tourism offers and extend tourism benefits.

**Possible beneficiaries:** Ministry of Culture.

**Budget:** 33 million BGN.

**Activities:**

- Improvement of cultural monuments of national and global importance, restoration, conservation, preservation, exhibition, equipment, techniques and introduction of programs for interpretation, animation and more.
- Improvement of the supporting tourism infrastructure, such as: signs, visitor centers, playgrounds and recreational facilities, parks, sidewalks, green areas, public toilets, lighting, small facilities for waste collection, improve access for disabled and elderly visitors to the facility.
- Development of complementary small scale technical infrastructure in the areas of cultural heritage sites, such as access roads, utilities and amenities for visitors to ensure the integrated development of tourist products.
- Complementary small scale non-infrastructure activities directly related to supporting cultural heritage (organizing events, marketing, advertising and activities related to promotion and publicity projects).
- Training of personnel to operate with facilities, subject to this support.

At present this scheme is finalized, with the available budget already spent.

❖ **Support for development of touristic attractions** (BG161PO001/3.1-02/2009)

**Published:** 2009

**Aim:** Promoting competitive tourist attractions that contribute to the diversification of tourism products, reduction of territorial concentration and equitable sharing of tourism benefits.

**Possible beneficiaries:** 148 municipalities, plus additional 19 municipalities in the cases of immovable cultural property of national and global significance.

**Budget:** 40 million BGN.

**Activities:**

- Development of natural, cultural and historical attractions - the restoration, conservation, exhibition, equipment, implementation of techniques and introduction of programs for interpretation and animation.
- Development of tourist infrastructure necessary for the needs of the attractions (trails and paths of health, climbing routes, riding and biking, picnic areas, signposting, visitor information centers).
- Development of additional small scale technical infrastructure needed to visit regional attractions (roads, access roads, playgrounds, recreational facilities and sports non-profit parks, lawns, toilets, lighting, small collection facilities, waste utility facilities, serving the tourist attraction and visitors, access for people with disabilities needed to develop a comprehensive tourism product).
- Ongoing training of staff working in supported attractions.
- Additional small-scale non-infrastructure developments (organizing events in the region of attraction, marketing and promotional activities).

At present this scheme is finalized, with the available budget already spent.

❖ **Support for development of natural, cultural and historical attractions** (BG161PO001/3.1-03/2010)

**Published:** 2010

**Aim:** Support the development of competitive tourist attractions that contribute to the diversification of touristic products, reduction of territorial concentration and more equitable distribution of tourism benefits.

**Possible beneficiaries:** 161 municipalities, and -in the case of immovable cultural heritage with national and global significance- all municipalities in Bulgaria.

**Budget:** 162 million BGN.

**Activities:**

- Development of natural, cultural and historical attractions, restoration, conservation, exhibition, preservation, equipment, techniques and introduction of programs for interpretation and animation.
- Development of tourist infrastructure necessary for the needs of the attractions (trails and paths of health, climbing routes, riding and biking, picnic areas, signposting, visitor information centers).
- Development of additional small scale technical infrastructure in the region of attraction needed to visit the attractions (roads / access roads, playgrounds, recreational facilities and sports non-profit parks, lawns, toilets, lighting, small collection facilities, waste utility facilities serving the tourist attraction and visitors, access for people with disabilities needed to develop a comprehensive touristic products).
- Ongoing training of staff working in supported attractions.
- Additional small-scale non-infrastructure activities directly related to supporting developments (organizing events in the region of attraction, marketing and promotional activities)

At present this scheme is finalized, with the available budget already spent.

- ❖ **Restoration and conservation of the Palace "Evksinograd" and its adjoining park (BG161PO001/3.1-04/2011)**

**Published:** 2011

**Objective:** Support the development of the palace "Evksinograd" and its adjoining park as a competitive tourist attraction, which contributes to the development of sustainable cultural tourism, diversification of tourism offer and extend the benefits of tourism.

**Concrete beneficiary:** Council of Ministers.

**Budget:** 10 million BGN.

**Activities:**

- Development of cultural and historical attractions - the construction, restoration, conservation, exhibition, preservation, equipment, introduction of programs for interpretation and animation, and more.
- Improvement of the supporting tourism infrastructure necessary for the purposes of tourist attractions (trails and paths of health, climbing routes, horse riding and cycling, signposting, visitor centers, picnic areas, playgrounds and recreational facilities, giving rise profit parking lots, sidewalks, green areas, public toilets, lighting, small collection facilities, waste facilities to improve access for disabled and elderly visitors to the facility).
- Development of complementary small scale technical infrastructure in the region of attraction (access roads, utilities and amenities for visitors to ensure the integrated development of tourism products).
- Complementary small scale non-infrastructure activities directly related to the supported cultural values (organizing events in the region of attraction, marketing and promotional activities).
- Ongoing training of staff working in supported attractions.

Status: In process of evaluation of submitted project proposal.

❖ **Support for organizing events with regional and national scope and impact** (BG161PO001/3.2-01/2010)

**Published:** 2010

**Aims:** Organization of events with regional and national scope and impact, contributing to the development of sustainable cultural tourism, diversification of tourism offer and extended tourism benefits.

**Concrete beneficiary:** Ministry of Culture.

**Budget:** 6 million BGN.

**Activities:**

- Organization of events with regional and national scope and impact, such as festivals, outdoor events, folklore events, and presentation of local / regional traditions, local cuisine, crafts and more. Contributing to the diversification and

marketing of tourism products that enhance tourism potential of the target territory, contributing to reducing the regional disparities in development of tourism and supporting the development of tourist destinations with significant tourism potential.

- Support of activities related to public awareness and improving information about cultural activities and events across the country that contribute to tourism development, as well as to implementation of tools to monitor and evaluate the social and economic impact of tourism development in the country.

Status: terminated

❖ **Support for development of regional touristic products and marketing of touristic destinations** (BG161PO001/3.2-02/2011)

**Published:** 2011

**Aim:** To develop regional touristic products and increase effectiveness of the regional marketing.

**Possible beneficiaries:** all municipalities on the territory of Bulgaria.

**Budget:** 12 million BGN.

**Activities:**

- Elaboration of tourism packages or diversification of existing ones.
- Promotional activities - preparation and dissemination of information and publicity material for the tourist areas and offers in support of touristic products.
- Participation in regional, national and international tourism fairs and exhibitions.
- Research of the impact of the implemented marketing and promotional activities.
- Organisation of expeditions, trips, visits to travel agents, tour operators, travel writers, journalists.
- Support of activities for public awareness and information services - communication campaigns to improve awareness about the natural, cultural and historical heritage and tourism's contribution to the development and dissemination of relevant information to the tourism business; organisation of tourist events to promote effective two-way communication, participation and involvement of local businesses in identifying and solving of common problems.

Status: Pending contracts to be signed with 28 beneficiaries at the total amount of 12 million BGN.

❖ **Support for development of regional touristic products and marketing of touristic destinations II (BG161PO001/3.2-03/2012)**

**Published:** 2012

**Aim:** To develop regional tourism products and increase the effectiveness of the regional marketing: on the basis of an integrated approach.

**Possible beneficiaries:** all municipalities at the territory of Bulgaria.

**Budget:** 6 million BGN.

**Activities:**

- Development of tourism packages or diversification of existing ones.
- Promotional activities - preparation and dissemination of information and publicity materials for the tourist areas.
- Participation in regional, national and international tourism fairs, exhibitions and fairs.
- Research on the impact of the implemented marketing and promotional activities.
- Organisation of trips, visits to travel agents, tour operators, travel writers, journalists.
- Support of activities for public awareness and information services - communication campaigns to improve awareness about natural, cultural and historical heritage and tourism's contribution to the development and dissemination of relevant information to the tourism business; organisation of tourist events to promote effective two-way communication, participation and involvement of local businesses in identifying and solving of common problems.

Active: deadline for submitting proposals: September 28, 2012

❖ **Support for effective national marketing of tourism products and improving of information services (BG161PO001/3.3-01/2008)**

**Published:** 2008

**Aim:** Increasing the effectiveness of national marketing and promotion of tourism, information and improving of information services in the sector.

**Concrete beneficiary:** Ministry of Economics, Energy and Tourism.

**Budget:** 64 million BGN.

**Activities:**

- Preparation of medium and long-term national strategies and programs for development and marketing of tourism and tourism products.
- Promotional activities, including preparation and dissemination of information and promotional materials at national level, media advertising, participation in international tourism fairs and exhibitions, organisation of national tourism fairs, study tours, visits to travel agents and tour operators, travel writers, journalistic trips and more.
- Marketing and other related tourism development and tourism policy studies of national and supranational scope, improving tourism statistics, dissemination of information among a wider audience.
- Monitoring the effectiveness of marketing activities.
- Introduction of modern information technologies for development and modernization of national systems and networks for information and dissemination of tourism product, including delivery related to the implementation of business equipment (national network of tourist information centers, Internet-based national tourist information system.)
- Activities to inform the public, such as campaigns to improve awareness of natural and cultural heritage and the importance of tourism at national and international level.
- Development and implementation of national certification systems of quality of tourist services, accommodation and attractions (quality label, codes of conduct, standards, systems, quality management, annual tourism awards, etc.)
- Develop and implement environmental standards for tourism services.
- Provision of guidance and support to tourism organisations, municipalities and businesses (handbooks, regular exchange of information, including electronic newsletters, etc.).

At present this scheme is finalized, with the available budget already spent.

❖ **Support for interregional cooperation and exchange of best practices**  
(BG161PO001/4.2-01/2008)

**Published:** 2008

**Aims:** To support the exchange of know-how and best practices through interregional cooperation within the European territory. Through regional cooperation this scheme aims to improve the regional and local policies addressing specific topics, including:

- Tourism development and marketing of destinations, focusing on the important cultural and natural attractions;
- Promoting and developing models for inter-municipal cooperation.

**Possible beneficiaries:** municipalities, municipal administration, non-profit organisations, associations and others.

**Budget:** 9 million BGN

**Activities:**

- Data collection, research and analysis of trends.
- Exchange of know-how and best practices, as well as accompanying analysis in the context of those themes of cooperation.
- Developing portals / virtual networks to share best practices, web-based tools and electronic databases for exchange of best practices and trends in regional development.
- Analysis of best practices (benchmarking analyses) in the provision of services.
- Development of future strategic projects, strategies and action plans.
- Training, seminars, conferences, study tours, joint meetings that include socio-economic partners (universities, NGOs, business associations, associations of employees, etc.).
- Innovative strategies.
- Dissemination of information and campaigns to raise public awareness.
- Development of materials for distance learning and discussion forums.
- Introduction of innovative approaches (pilot projects).
- Provide advice and services relating to a particular exchange.
- Dissemination of results due to exchange know-how and best practices.

At present this scheme is finalized, with the available budget already spent.

### **2.3.2. OP Development of the Competitiveness of the Bulgarian Economy**

The overall objective of this program, funded also under the ERFD is the development of a dynamic economic framework that is competitive at the global market. The program is directed towards stimulation of the knowledge economy and innovation, development of competitive enterprises, increased investment and exports and creating a favorable business environment. "Competitiveness" is divided into five priority axes, three of which are aimed directly at supporting the businesses and business environment in Bulgaria, including support of research and development, introduction of innovative products, processes and services, creation of pro-innovative infrastructure, technological modernization and improvement of the quality of work, increase their energy efficiency and more<sup>14</sup>. The total funds under OP "Competitiveness" are around € 1 162 billion.

The main beneficiaries are the small and medium size enterprises within the general sector "Manufacturing". OP "Competitiveness" does not support directly projects in the field of culture, culture and tourism, cultural heritage or culture and education. Nevertheless, the programme influences indirectly on the cultural resources through support of small and medium-size enterprises in the cultural field. The guidelines allow applications coming from other areas of economic activity. An example of such a procedure is BG161PO003-2.1.11 "Technological modernization in small and medium enterprises." Besides manufacturing enterprises, eligible for funding under this procedure are also enterprises in the following branches, related to the creative industries:

- Creation and dissemination of information and creative products;
- Telecommunications;
- Publishing;
- Production of film and television, sound recording and music publishing;
- Radio and television activities.

There are 119 contracts signed with granted organisations, 18 of which (nearly 15%) are with organisations operating in the field of film, media and audio-visual industries. The majority of projects are for technological modernization and upgrading of equipment. The total amount of grants under these contracts is 13 848 400 BGN, and the total amount of project proposals is estimated at 21 941 120 BGN.

Another two axes where projects in the field of creative industries could be granted are: "Support of development of clusters in Bulgaria" (BG161PO003-2.4.01) and "Support

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<sup>14</sup> See also: OP "Competitiveness": <http://www.eufunds.bg/en/page/14>

for creation and development of business incubators” (BG161PO003-2.2.01). Both schemes aim at improving the overall business environment in Bulgaria through support of business infrastructure, capacity building of business incubators, improving of management capacity in the business sector, motivation of investments in new technologies related to cluster activities in Bulgaria, and so on.

The Directorate of OP “Development of the Competitiveness of the Bulgarian Economy” does not have specific information related to the impact of the program in the field of culture and cultural industries. The program is in general open to all areas and industry branches, but projects in the field of culture and creative industries are not monitored and analyzed separately.

### **2.3.3. OP Human Resource Development**

The ESF-funded OP on Human Resource Development aims at improving the quality of life of people in Bulgaria by enhancing the human capital, achieving of high levels of employment, increasing of productivity, providing access to quality education and lifelong learning and promoting social inclusion<sup>15</sup>. The priorities of the programme do not support directly culture and creative industries. However, there are several schemes under the Operational Programme that focus on culture and education, especially related to youth and children, as follows:

- Grant scheme: BG051PO001-4.1.01 "Creation of a favorable multicultural environment for practical implementation of intercultural education and education" with a total budget of 5 574 116 BGN. Supported activities consist of: analyzing the needs of teachers in intercultural training, organizing and conducting of intercultural training for trainers, organizing and implementation of intercultural celebrations and festivals, working with parents from different ethnic groups , creating dance formations of different age groups, folk dances of diverse ethnic communities, organizing of joint after-class activities for exploring cultural differences and more<sup>16</sup>.
- Grant scheme BG051PO001-4.1.03 "Integration of children and pupils from ethnic minorities in the educational system" with a budget of 7 219 128 BGN. Beneficiaries are municipalities, schools, kindergartens, and community centers. Supported activities under the scheme aim at mutual understanding of cultural diversity of different ethnic communities through joint implementation of traditional and other activities with the active involvement of parents,

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<sup>15</sup> See also: OP Human Resource Development: <http://www.eufunds.bg/en/page/11>

<sup>16</sup> Details of approved projects and the various activities under the scheme "Establishment of a favorable multicultural environment for practical implementation of intercultural education and education" can be found on the website of the public module management information system (MIS) on the following link: [www.umispublic.minfin.bg](http://www.umispublic.minfin.bg) .

establishment of interest clubs for learning about the culture, folklore and traditions of various ethnic groups in Bulgaria.

- The third grant scheme related to culture and education is "Educational integration of children and pupils from ethnic minorities" with a budget of 11 million BGN. The activities under this scheme are identical to the previous one.
- Another scheme that indirectly supports activities related to culture is "Making the school attractive to the young people" with 3 phases and overall budget of 127, 4 million BGN. The scheme supports after-class activities, formation of clubs based on interests, celebration of diverse holidays, organisation of performances, exhibitions and more.<sup>17</sup>
- Finally, the scheme BG051PO001/4.2.04 "Student scholarships and awards" where concrete beneficiary is the Ministry of Education, Youth and Science, has a budget of 46 799 600 BGN. Student grants are given in many areas, including in the field of cultural and historical heritage, national identity and social medium.

Three other schemes under OP Human Resource Development support increasing of employment, professional qualification and education:

- Schemes "Qualification services and training of employees" and "Qualification services and support of employment" are effective until the end of 2013. They aim at providing training for obtaining and increasing of the professional qualification in all areas, as well as qualification services for people working in small, medium or large enterprises, focusing on under qualified labor as well as elderly employees.
- Scheme "I can do more" (BG051PO001-2.1.14.) provides an opportunity to people who work on a contract, as well as self-employed to join courses for professional qualification, training in foreign languages or digital competence, irrespectively of the professional area and industry branch they are engaged in.
- Scheme "Support of start-up business and independent economic activities" (BG051PO001-1.2.01) aims at motivating start up entrepreneurial ideas and innovative projects that has a potential to develop into independent business companies.

The above mentioned schemes are not explicitly related to cultural projects and initiatives. Therefore it is difficult to find out the exact percentage of the grants spent for projects and organisations in the field of culture. There are no evidences in the latest report of OP Human Resource Development on the impact of these schemes in the field of culture.

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<sup>17</sup> For more information on the scheme "Make the school attractive to young people", visit: <http://uspeh.mon.bg/>.

#### **2.3.4. OP Administrative Capacity (OPAC)**

The main beneficiaries of the programme are the administrative units at national, provincial and municipal level. OPAC is a horizontal programme and is not directed specifically to support culture and creative industries<sup>18</sup>. However, in 2010 the selection process focused on projects aiming at improving the policies and supporting the coordination among administrations at central level, performing functions in the field of culture, education and health care. Under this procedure, the National Culture Fund<sup>19</sup> completed a major project “Improving the work of municipal administration on the monitoring and controlling of the implementation of the Public Libraries Law and the Law on Community Centers, in collaboration with stakeholders”. The overall project objective was to engage local authorities in the implementation of the national legislation on the Bulgarian community centers and public libraries. The specific objectives were related to the changes in the role of municipal authorities in this process, as well as the establishment of the active mechanisms for monitoring and control on the implementation of the laws. In a long-term, this is expected to lead to shaping the policies on education and culture on local level with active participation of local population and stakeholders. The overall grant was for 185 338 BGN. As this was one of the key granted projects under the operational programmes in the planned period 2007-2013, it is analyzed in more detail below.

Apart of this granted project, OPAC does not gather and analyze information specifically related to the cultural sector and creative industries.

#### **2.3.5. Conclusion**

In the case of Bulgaria, the seven Operational Programmes under the Structural Funds are managed only at national level, not on regional and local level. OP Regional Development is the only one that allocates direct resources to culture under the two program directions: “Protection and preservation of heritage” and “Development of cultural infrastructure”. There are twelve main programme priorities announced under this OP and the Ministry of Culture is a direct beneficiary under two of them -, mainly related to the support of cultural infrastructure, monuments of national and global importance contributing to the tourism development. The other three programs that are also widely open to all industries and branches, including culture, and provide general opportunities for support for culture and creative industries are: OP Human resource Development, OP Development of the Competitiveness of the Bulgarian Economy and

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<sup>18</sup> See also: OP Administrative Capacity: <http://www.eufunds.bg/en/page/10>

<sup>19</sup> National Culture Fund is the Bulgarian organization, which supports on national level the creation, development and distribution of Bulgarian culture and arts in the country and abroad.

OP Administrative Capacity. It is impossible to find out the exact spending from these three OP directly targeting cultural organizations and projects as it is not specially monitored, collected or analyzed. Operational programmes “Transport”, “Environment” and “Technical Assistance” do not deal with culture and creative industries.

There is no single source of information for gathering, analyzing and processing information on granted projects under the Structural Funds in Bulgaria, related to culture and creative industries. The directorates of Operational Programs, with the exception of OP Regional Development, do not keep specific information on the principle of differentiating the industry branches, as the programs have a horizontal principle of operation. The Ministry of Culture is a beneficiary for some of the program areas but does not monitor and follow information related to the use of the Structural Funds in the cultural sector and creative industries.

#### **2.4. Examples: analysis of practices**

Experts who answered the questionnaire on this survey, pointed out three successful projects granted under the OP Regional Development, and the cultural project granted under the OP Administrative Capacity.

- ❖ **Reconstruction, modernization and improving of internal environment and façade of drama theatre "Adriana Budevská", Burgas** (BG161PO001/1.1-05/2008/001-1)

The scope of the reconstruction and repairing of the theatre was mainly focused on improving the interior of the public areas of the building - lobbies, the main audience hall, the chamber hall, as well as repairing of the roof, new installations and changing of the façade of the building. The project is funded with 1 355 588 BGN. The direct beneficiaries of the project are:

- Youth and student audience in the region;
- Residents of the city of Burgas;
- Bulgarian and foreign tourists who visit the town of Burgas;
- People with disabilities;
- Minorities, including Roma communities.

The total area for repair and reconstruction project area is 2648 m<sup>2</sup> (1378 square meters of which 1270 square meters of roofs and other areas). The specific results are:

- Reconstructed and renovated main audience hall - renovated acoustic ceiling and paneling, zoning of the hall, located diagonally through the path. New amphitheater and new seats with greater distance between the rows.
- New chamber theatre hall equipped in a modern style.
- Implemented energy efficiency measures - new windows, insulation, roof, energy efficient lighting.
- Improved air conditioning, ventilation and heating in the theatre building.
- Improved working environment for artists and other employees.
- Refurbished facades North and West, which will improve the architectural appearance not only of the building, but also the environment around the theatre.
- Replacement of electrical and plumbing installations.
- Improved lightning arrester installation (after the repair of the roof).
- Installed fire alarm system;
- Ensured access for people with disabilities to cultural services.

In the long run, the project is expected to increase theatre attendance and overall satisfaction of spectators, to increase the attractiveness of the urban environment, to improve the quality of cultural and educational theatre services and the overall quality of life of the local people, especially the one with disabilities.

❖ **Conservation, restoration and exhibition of Eski mosque and creating Museum of Religions, Stara Zagora (BG 161PO 001/3.1-01/2008)**

Eski Mosque is a religious complex that includes monuments from several eras and religions and therefore has a potential to become a symbol of intercultural dialogue and ethnic tolerance in Europe. The value of the contract grant is 2 368 381 BGN with a period of realization of the project of 24 months.

The main aim of the project is to create conditions for sustainable cultural, social and economic development through the renovation of the cultural infrastructure of the town of Stara Zagora. The specific objectives focus on:

- Conservation, restoration and exhibition of Eski Mosque and creating a Museum of Religions.
- Creation of local jobs - opportunities for temporary and permanent employment for local residents, with emphasis on the disadvantaged groups of the population (foreseen opening of eight new jobs by 2012).
- Ensuring equal opportunities for access to services will be offered to all residents and tourists, regardless of their physical ability, ethnic or social origin.

The planned museum will focus on religious beliefs of different civilizations and will exhibit tombstones belonging to different ethnic groups and religions. In the same space a restored medieval church, a Thracian necropolis and other specific elements of religious heritage will be presented, and visitors will be able to explore the interior of the temple. Project activities planned include:

- Construction works and strengthening the building.
- Restoration of the frescoes.
- Improvement of the landscape.
- Conservation - restoration of the interior and exterior of the building of the mosque, conservation - restoration activities related to archaeological structures in the interior of the mosque and turning it into a Museum of Religions.
- Curating of expositions in the Museum of Religions.

The contract is currently under execution.

❖ **Overall repairing and reconstruction of the National Museum of Fine Arts**  
(BG161PO001/1.1-05/2008/001-3)

The overall general aim of the project is the improvement and renovation of public cultural infrastructure of Sofia. The specific objectives are:

- Reconstruction and modernization of the building of the Bulgarian National Museum of Fine Arts and implementation of energy efficiency measures.
- Provision of appropriate conditions and increasing of the capacity for offering highly cultural diverse cultural products of the Bulgarian National Museum of Fine Arts.
- Improvement of accessibility of cultural institutions, which will allow for full integration of the disadvantaged groups in the society.

The three main areas of activities include:

- Reconstruction, renovation and repair of the three floors of the building, the basement and the roof; Repair and replacement of communication, electrical, drainage, fire and security systems;
- Reconstruction of facilities to improve access for people with disabilities (e.g. vertical transport connections, installation of lifting platforms, etc.)
- Installation of elements for energy efficiency, such as air conditioning and ventilation systems, insulation, and special window frames.

The budget for this project is 3 625 196,12 BGN, to be completed in 24 months.

❖ **Improving the work of municipal administration on the monitoring and controlling of the implementation of the Public Libraries Law and the Law on Community Centers, in collaboration with stakeholders**

The main aim of the project was to support the effective implementation of the new legislation in the field of libraries and cultural and community centers in Bulgaria (Chitalishta)<sup>20</sup> through the active involvement of local communities, professional librarians and community center staff. The specific objectives were:

- To increase the active role of the municipal authorities in the process of implementation of the specialized legislation.
- To assist the process of modernization of the libraries and cultural and community centers to answer to the new changed environment.
- To establish mechanisms for monitoring public libraries and community centers in accordance with the new legislation.
- To strengthen the legislative and executive power of the local authorities to implement local cultural policies through the reformed public libraries and community centers.
- To improve the coordination of activities between public libraries and community centers and involve them in the development of local cultural policies.

The target groups were mainly mayors of the cities, deputy-mayors, and members of the municipal councils of culture.

One of the focuses of the project was to elaborate a Handbook for the municipal authorities and stakeholders on the implementation of the specialized legislation. All participants in the project highly praised the Handbook and expressed opinions that more instruments of that kind should be elaborated. Another important angle of the project was the opportunity for a series of active discussions between diverse local institutions for development of local cultural policy instruments and measures to take place. There were over 1 300 participants in all project events.

The positive results of the project were:

- Improved communication between all parties involved in the management of the libraries and community centers;

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<sup>20</sup>“Chitalishte” is a typical Bulgarian public institution and building which fulfils several functions at once, such as a community centre, a library and a theatre. It is also used as an educational institution, where people of all ages can enroll in foreign language, dance, music and other courses.  
<http://en.wikipedia.org/wiki/Chitalishte>

- Better understanding of the practical implementation of the legislation by the municipal administrators;
- Providing a background for the implementation of better financial mechanisms for the libraries and community centers;
- Establishment of a network of professionals in this field;
- Identification of a number of good practices of effective interactions between a municipality and a community center or a library;
- Improvement of the mechanisms for tax deduction and other financial benefits for these institutions.

All participants in the project have rated it as extremely useful, expressing a hope that the project activities will continue in the future.

## **2.5. Overall observation: conclusions**

There are several main findings as a result of the research on the relevance of the ERDF and ESF on the culture and creative industries in Bulgaria:

- Structural Funds are in general important for the overall regional development of Bulgaria. Culture and creative industries in the planning period 2007-2013 are supported mainly in two directions-protection and preservation of cultural heritage, and improvement of cultural infrastructure. The vast majority of supported projects are related to the infrastructural improvements in the cultural sector and support of tourism development- mainly reconstruction, repairing and modernization of buildings and interior.
- Supported projects and initiatives have an impact on improving the attractiveness of the cultural infrastructure and facilitating audiences' access, as well as tourists and visitors. However, it seems that they are isolated from the actual cultural processes and trends in the country, cultural programming and local needs. Some of them are indirectly related to improving the working conditions of the personnel, but do not focus on enhancing the capacity of people in the cultural sector in a strategic framework and direction.
- The main beneficiaries of the granted projects are the Ministry of Culture and the municipalities. Cultural operators – managers, producers, entrepreneurs, are not well present among the group of beneficiaries for project grants. They are also not included too often as partners in the projects granted to the municipalities during the projects' implementation. Despite the efforts, it was impossible to reach cultural operators-beneficiaries, for direct interviews on the projects' implementation and results due to the centralized activities and reporting at the Ministry of Culture.

- The major issue perceived is the lack of a strategic approach towards the place of culture and creative industries in the implementation of the Structural Funds in Bulgaria that has to focus on the long-term utilization of the rich assets and resources in the cultural sector.
- The new direction of the national cultural policy development seems not to be based on an in-depth, thorough research and feasibility study on the sectoral and regional resources, performing a cultural mapping of key regions and cities, or an elaboration of strategies, regional and local plans on culture and creative industries,

### **3. SWOT Analysis**

This chapter provides a tentative analysis of the strengths, weaknesses, opportunities and threats of the Structural Funds investment in the culture and creative industries in Bulgaria. The analysis is based on the performed qualitative and quantitative research, including analysis of documents and conducted interviews with key experts. The consulting company KPMG's mid-term Evaluation of the Operational Program Regional Development is also considered<sup>21</sup>.

#### ***Strengths***

- The overall information related to the aims, procedures and deadlines of the Operational Programs was transparent, well announced across the country and accessible to all organisations, including the ones in culture and creative industries.
- The OP Regional Development is one of the best performing programmes in Bulgaria and the most popular one. It provides wide opportunities for local development and involving local agents in all areas of economic and social advancement in the country.
- All other Operational Programs do not exclude projects related to culture - there have been opportunities for cultural organisations and professionals to apply for project grants under three of the Operational Programs: "Administrative Capacity", "Human Resource Development" and "Development of the Competitiveness of the Bulgarian Economy". It is quite difficult, even impossible to trace specifically the projects related to culture and creative industries that

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<sup>21</sup> Reference: KPMG (2011). Mid-term Evaluation of Operational Programme Regional Development" 2007-2013. Final Report, 28 February 2011 (Under project BG161PO001/5-01/2008/037).

have received support under these programs. This is mainly because culture is not highlighted as a special priority in these programs.

- During the planned period 2007-2013 cultural infrastructure in Bulgaria has gained some support mainly coming from the OP Regional Development. Reconstruction and modernization of buildings and facilities in the cultural field and support of sustainable tourism development have been major priorities in the field of culture for this period. The main aims of this financing are related to increasing the attractiveness of cultural organisations for tourists and inhabitants and making the cities and regions more attractive and livable, turning them into social zones for living, working and visiting.
- Support of cultural infrastructure and tourism is a sign that the cultural potential of Bulgarian regions is well recognized. Investment in development of the regional identity and modernization of buildings is a step forward for improving both the living standards and the attractiveness of Bulgaria for foreign visitors.
- Projects in the field of intercultural education and training, cultural diversity, building understanding between different ethnic groups and integration of minority groups in the educational system through cultural events, support of intercultural events for youth and children, have been partially granted under the OP Human Resource Development. Although it is difficult to extract only projects having specifically cultural elements, it is important that this program considers the connections between education and culture.
- Investment strategies connecting education with culture support indirectly the overall concept of “intercultural education” which is one of the major topics in Europe, especially related to the education of youth and children. The need to invest in intercultural projects especially in areas of diverse population and ethnic groups, and focusing on youth and children, is considered as a priority, especially under the OP Human Resource Development.
- The importance of regional libraries and cultural and community centers (Chitalishta) for regional development have been recognized. There is a positive attempt to support the administrative capacity and legislative activities of these two primary types of institutions across Bulgaria.
- The overall financial stability in the country is an important prerequisite for smooth realization of the Operational Programs. Several projects in the field of culture that received support under these programs aimed at improving the national legislation and adjusting it to the EU criteria (e.g. in the field of library sector, cultural and community centers, cultural heritage).

### **Weaknesses**

- The main weakness of the Bulgarian approach to Structural Funds related to culture and creative industries is the lack of a comprehensive strategic

approach that would adequately match the priorities of the EU structural funding with the rich potential of the country in terms of its local resources and creative talents.

- The component “Culture and creative industries” is not well outlined in the initial set up of all Operational Programs in Bulgaria and is very briefly mentioned in the NSRF. The requirements of the programs and all guidelines do not consider the specificities of the organisations and processes in the cultural sector.
- Regional government bodies and institutions do not fully understand the potential of culture in regional economic and social development. Cultural dimensions are not explicitly elaborated in the strategic documents of the regions and cities and as a result, cultural potential is not fully utilized.
- There is no single center for gathering information related to all projects in the field of culture and creative industries. The Central Coordination Unit which is under the Minister of EU Funds is responsible for the overall coordination of all activities under the NSRF. The Directorates of different programs, including the main Operational Program related to culture -Regional Development-, are responsible for the effective implementation of the different Operational Programs and following up of all procedures set up by the Committee for implementation of the Structural Funds in Bulgaria. The Ministry of Culture elaborates, organizes, coordinates and controls the general cultural policy instruments in the country, and in the case of the Structural Funds is a beneficiary of part of the projects in the field of culture under the OP Regional Development. There is no efficient coordination and monitoring between all relevant institutions, particularly related to the granted projects in the field of culture and creative industries.
- Cultural managers and administrators lack competence as well as knowledge on how to apply for grants under different Operational Programs. Information on all programs is widely disseminated across the country (including online), but the cultural dimension is not well elaborated and understood by the potential beneficiaries.
- Cultural organisations on the regional and local level are undermined as possible partners in the granted projects. Despite of the widely spread information about opportunities provided by the operational programs for project support, many organisations and operators in the cultural sector are not aware about the direct and indirect opportunities for support from these programmes.
- The majority of existing structures in the cultural sector in the country are inflexible and “ossified” – the old-fashioned model of “directing and administration” rather than “entrepreneurship and management” still prevails, especially in the state cultural sector. This prevents implementation of innovative angles of programming, including those related to the utilization of the EU Structural Funds.

- Municipalities are beneficiaries for Operational Programs, but are not actively involved in the decision-making and distribution of funding for cultural projects on local and regional level. Centralization of Operational Programs is an important problem for decentralization and full exploitation of the potential of different regions and using efficiently the local resources.
- The overall strategic position of the Ministry of Culture related to the utilization of the ERDF and ESF for culture is still unclear. The Ministry is mainly a beneficiary on the programs, but not an active initiator of directions of funding, strategies, tools and funding priorities under Operational Programs.
- The current Operational Programs do not emphasize important elements for improvement of the “soft part” of the cultural sector in Bulgaria, such as: professional training and retraining of cultural practitioners, fostering business skills in the cultural sector, knowledge and competences in cultural management, competences in cultural marketing, cultural entrepreneurship, and so on.
- Strategic investment in innovation, research and development in the cultural sector is not defined as an explicit priority in the existing cultural policy documents. It is also not highlighted in the overall support from OPs related to culture and creative industries.
- Operational Programs related to supporting small and medium enterprises (e.g. OP “Competitiveness”) do not contain specific cultural components and motivation for cultural organisations to apply and are not designed to reflect the specificities of the cultural sector.
- The existing curricula of the education and training in cultural management across the country does not focus well on the regional dimensions of the cultural policy in the country and on the EU integration process, including the connections between culture and Structural Funds, as well as other opportunities for EU funding in the cultural sector.

### ***Opportunities***

- Political factors in general have a positive influence on the utilization of the Structural Funds in Bulgaria, e.g. the national and municipal elections held in 2006, 2008 and 2009. The NSRF was established and followed up by the decision-makers despite of the political changes in the country. Bulgarian authorities at all levels showed a strong will for participating in the EU integration process and for working towards meeting of certain criteria in all areas of the economy.
- The ongoing reform of the regional state administration and juridical system has a positive influence also on the changes in the legislative mechanisms related to the cultural sector.

- Cultural industries in Bulgaria play an important role in the overall economic regional development and show positive dynamics. There is an increase of the labor force working in the cultural sector in Bulgaria in the last few years, which is higher than the average of the country.
- Bulgaria has a rich cultural, historical and natural heritage, favorable for the development of international tourism. The combination of valleys, mountains and sea coast, along with a pleasant moderate climate is a very good incentive for overall tourism development, including cultural tourism.
- Bulgaria has remarkable talents in the field of arts – fine arts, music, multimedia art, theatre and performing arts, etc. There are many international events and projects that prove the quality of the Bulgarian contemporary art and its exportability across borders.
- The geographical location of Bulgaria is also a very favorable factor for the development of international communication channels East-West and North-South. Investing in infrastructure, including transportation, is an important background for the overall local economic advancement of Bulgarian regions.
- The civil society sector in Bulgaria is very active in the overall process of elaboration of the national cultural policy and related strategic documents for the next planning period (2014-2020) as well as in the evaluation of the programs and directions of policy development in the previous planning period (2007-2013).
- The overall trend for digitalization in many areas is a favorable background for the implementation of digital dimensions in the cultural sector as well as enriching the cultural content online.
- There are elements which contribute to starting the development of links between the business, science, education and the non-governmental sector in the country in order to boost the research, development and innovation activities in all sectors. Even slowly, there is an opportunity that this trend will also reach the cultural sector in the near future.
- The development of cross-border, trans-national and trans-regional cooperation in all areas of the economic and social life is an enormous opportunity for cultural operators to elaborate projects in the field of regional cross-border development.

### ***Threats***

- There is still not an agreed and well elaborated document for the overall national cultural policy in Bulgaria. As a result, regional and local strategies for culture and creative industries are not well defined either. This leads to an absence of direction at the regional level on the strategic priorities and specific

actions of financing culture, including funding from different Operational Programs.

- Bulgaria suffers from a demographic crisis and mitigation strategies are still not implemented. There is still a huge percentage of immigration of young skillful professionals, including in the cultural sector. The constant flow of creative labor force outside the country shows the inability of creative talents to adapt to the new economic realities and to find decent professional realization in the country. Many artists do not have skills and competence in project elaboration and management, therefore are incapable to apply for European funds and to compete for project grants.
- The transportation network across the country is underdeveloped and -in many places- still in a poor condition. This prevents touring, regional networking and collaboration between different cultural institutions and operators.
- The overall demographic tendency is unfavorable - ageing population and emigration. This affects all sectors, including culture and creative industries, both from the supply and demand side.
- More than 50% of the labor force in the cultural sector is concentrated in Sofia<sup>22</sup>. There is a lot to do for decentralization of the overall human resource policy of the country and balancing the isolated regions with the big cities.
- There are missing links between the administrators working in the cultural sector and institutions responsible for the elaboration of the Operational Programs for the next planning period. The development of the national cultural policy seems not well synchronized and connected with the opportunities provided by the priorities of the EU Structural Funds for the next planning period.
- Small cities and villages are not an attractive working and living environment for creative professionals. In search of jobs, they find more opportunities in the big cities and large metropolitan areas. This tendency increases the disproportion between cultural offer in the big cities and isolated regions of the country.
- Implementation of advanced innovative digital and online methods of governance and administration are not well present in the cultural sector. "Offline" management prevails. This delays the overall decision making in cultural institutions and leads to inflexible procedures and the delaying of program implementation at all levels.
- The rural areas of the country are highly dependent on agriculture and there is a lack of alternative sources of incomes in all areas, including culture and arts. The interests of the population in these areas, as well as household spending, are far from cultural and artistic activities, and therefore cultural demand in isolated regions and cities is rather low.

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<sup>22</sup> Reference: Tomova, Bilyana & Andreeva, Diana (2011) Sofia: A City of the Creative Economy. Culture and Creative Industries – Factor for Sustainable Development and Economic Growth. Observatory of Cultural Economics, Sofia (in Bulgarian).

- Culture and arts are the least attractive and preferred areas for start-up of small business enterprises by emerging entrepreneurs. This is partially because of the proven low profit margins in the sector, low level of demand of commercial cultural products, and absence of experience in cultural entrepreneurship.
- The cultural sector in Bulgaria is not consolidated and quite dispersed between different groups, coalitions and clusters. The competitive spirit and strive for survival in the sector is a serious burden for creating efficient networking at regional and national level.

#### **4. Priorities for Cultural Investment 2014-2020**

This chapter identifies the main lines of action for the next programming period 2014-2020 and the main areas that should become potential priorities for the European Commission's negotiation mandate with Bulgaria within the context of the Structural Funds. The proposal is elaborated based on the conducted qualitative and quantitative research, the results of the SWOT analysis, as well as considering the following key documents:

- European Commission's "Staff Working Document" titled "Elements for a Common Strategic Framework" - <http://ec.europa.eu/esf/BlobServlet?docId=386&langId=en>
- Culture Action Europe (2011), The wearemore campaign guide for the negotiations on the Structural Funds 2014-2020". Website: <http://www.wearemore.eu>
- Internal draft documents on elaboration of the national cultural policy of Bulgaria by the Ministry of Culture and the civil society sector.

##### **4.1. General lines of action for the next programming period**

There are several main proposed lines of actions for the next planning period 2014-2020 for the programming of the Structural Funds in Bulgaria.

##### **A. Integrated, comprehensive, strategic approach to implementation of the cultural dimension in the thematic priorities of the Structural funds for the next planning period**

The new programming documents 2014-2020 of the Structural Funds should explicitly make reference to culture and creative industries in formulation of the key priority areas, targets and actions under the majority of the thematic objectives. Culture and creative industries (with the exception of emphasis on cultural heritage and tourism)

have not been well present in the Bulgarian NSRF by now and they need much higher focus and attention in the next planning period. It is important to formulate specific directions related to the support of cultural initiatives, programs, projects and organisations under the relevant operational programs, as well as improving of the access of cultural operators to project grants.

**B. Integrating culture and creative industries in the economic and social development strategies of the regions.**

It is of utmost importance to formulate regional and local cultural policy priorities, based on a thorough research and mapping of the potential and resources of different regions of Bulgaria. An effective use of the Structural Funds for culture and creative industries has to be based on an analytical and in-depth approach, rather than ad-hoc decisions. The direct and indirect economic and social effects of development of cultural industries should be well researched and formulated, as well as taken into consideration in strategic documents and frameworks of the regional development.

**C. Continuing investments in cultural infrastructure and cultural heritage preservation and development**

The Ministry of Culture has included as one of the main priorities for the next planning period the renovation and modernization as well as technical development of the infrastructure in the cultural sector. The plan includes renovation of around 100 institutions, which represents around 30% of the cultural infrastructure, at the total amount of 200 000 000 BGN. Preservation and protection of cultural heritage sites is also in the focus of the new national strategy. The planned amount for this program activity is 250 000 000 BGN, for renovation of around 50 immovable cultural property sites across the country<sup>23</sup>.

**D. Stimulating innovation and entrepreneurship in culture, the creative industries and cultural tourism**

Encouragement of entrepreneurial and business incubators and the support of young emerging entrepreneurs in the culture and creative sector need to be well supported by the use of the Structural Funds, as there are plenty of potential opportunities offered in this program area<sup>24</sup>. Development of a successful new generation of creative entrepreneurs in Bulgaria is an essential catalyst for the future advancement not only of

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<sup>23</sup> Note: These figures are based on the interviews with experts from the Ministry of Culture in Bulgaria and draft documents for the next planning period 2014-2020.

<sup>24</sup> There is a clear perception that culture and creative field can be a powerful Incubator of new forms of entrepreneurship and innovations: see: Sacco, Pier Luigi (2011). Culture 3.0: A New Perspective for the EU 2014-2020 Structural Funds Programming. Produced for the OMC Working Group on Culture and Creative Industries, April 2011.

the cultural sector in the country, but the economy as a whole. There is a strong need to implement innovative and entrepreneurial thinking and actions both in the university education related to arts and culture management, as well as in the practice of cultural institutions of all types (state, non-profit, and business). The connections between research and development, innovations, entrepreneurship and final cultural offers need to be strengthened at all levels. New forms of experimentation and “laboratory-types” of initiatives in culture and creative industries should be embraced and encouraged through operational programmes. It is important to foster innovation in the field of creation, promotion and distribution of cultural and touristic products and services online and to support the overall digitalization in the cultural sector.

#### **E. Improving capacities in the cultural sector through education and training**

Through some of the thematic priorities of the Structural Funds for the next programming period, there is a huge potential for elaboration of projects and programmes for education, training and life-long learning in the cultural and creative sector in order to improve competences and skills of cultural operators to cope with the changed economic and business realities in the country. The “People-centered” approach towards investments in the cultural sector in the next planning period should be an important focus of the Structural Funds for Bulgaria. Improving the links between education and practice is an important direction for securing employment opportunities for university graduates and the creation of new jobs. An important angle is also the implementation of online and distant learning modules and courses for practitioners in the field of culture who need to upgrade their competences. A special attention should be paid to training of unemployed cultural operators for helping them to return to the labor market.

#### **F. Fostering cultural participation and community involvement**

Improvement of cultural infrastructure could be effective only if connected with an innovative programming and investing in cultural processes through wide participation of audiences and communities and increasing their sense of collective ownership on the cultural initiatives and products. The next programming period should stress on projects where cultural and artistic methods are used to bring cultural experiences nearer to citizens and inhabitants of a certain urban or rural area. It is important to create attractiveness of the small cities and villages through the development of local cultural identity through artistic and cultural programming directed towards engaging audiences, as well as elaboration of local and regional cultural tourism packages and programs. Mobility and cultural exchanges between regions is central for securing wider and richer audience choice and increasing of cultural demand.

### **G. Connecting culture with sustainability issues**

The Bulgarian cultural and creative sector is still isolated from the discussions around global sustainability issues<sup>25</sup>. Cultural professionals need to play an active role in promoting the shift towards low-carbon economy and creating public awareness regarding climate change, environmental issues and other problems of global concern. Improvement of the capacities of cultural operators to include sustainability into their long-term strategic plans as well as daily management actions is important to bring culture to the sustainability agenda on regional level. Development of sustainable cultural tourism in Bulgaria should be one of the main priorities in the next planning period.

### **H. Building strategic coalitions**

Reaching the Thematic Objectives in the next planning period, especially related to culture and creative industries, is impossible without building strong strategic coalitions of partners between the state, non-governmental and business sectors at regional and local level. Ongoing information and communication between stakeholders involved in the projects' realization, as well as wide public transparency and accountability of the spent funds is a must. Projects that enhance co-creation, collaboration and networking not only within the sector, but cross-sectoral, should be encouraged as well. Building stronger connections between cultural organisations and touristic agencies and boards should be also one of the important directions in the next planning period.

## **4.2. Specific recommendations: Thematic Objectives CSF 2014-2020**

The recommendations given below refer to the Thematic Objectives of the Commission's proposal for the Common Strategic Framework 2014-2020<sup>26</sup>, as well as the current documents and series of debates in Bulgaria at different levels and between diverse stakeholders on the main directions of the national cultural policy, as well as the required policy instruments. Out of the eleven formulated Thematic Objectives, several have a specific reference to culture and creative industry. Others do not mention explicitly cultural dimensions, but they could also open possibilities for supporting cultural initiatives and projects.

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<sup>25</sup> Note: The increasing emphasis on the social and cultural dimensions of sustainability is highlighted well by Agenda21, visit: <http://www.un.org/esa/dsd/agenda21/>

<sup>26</sup> The document "Elements of a Common Strategic Framework" was adopted by the Commission on March 14, 2012.

<b>(1) Strengthening research, technological development and innovation</b>	
Investment priority	Product and service development, demand stimulation, clusters, open innovation through smart specialization and social innovation
Program relevance	ERDF
Main field of action	<ul style="list-style-type: none"> <li>➤ Nurturing and encouraging innovative dimensions in the strategies and plans of cultural organisations of all types (business, non-profit, governmental).</li> <li>➤ Fostering cross-sectoral cooperation both in the educational system and in practice (culture, education, technology, science, and engineering).</li> <li>➤ Stimulation of cultural demand through innovative packaging for audience development, participation and engagement in the cultural sector, both online and offline.</li> <li>➤ Encouraging establishment and development of clusters in the field of culture and creative industries on regional level.</li> <li>➤ Enhancing wide education and training on what social innovations are about and their transformative power in contemporary society (workshops, seminars, conferences on social and cultural innovations for experts, youth, as well as for the general public).</li> <li>➤ Fostering innovative models of online content creation, marketing and distribution in the cultural sector (e.g. in the music industry, fine arts, multimedia arts, etc.).</li> </ul>

<b>(2) Improvement of access and use of Information and Communication Technologies (ICT)</b>	
Investment priority	Developing ICT products and services
Program relevance	ERDF and ESF
Main field of action	<ul style="list-style-type: none"> <li>➤ Performing of mappings of cultural organisations in the regions regarding their ICT capacity and their needs for improvement.</li> <li>➤ Improving access of the population to digital cultural services in isolated cities and villages.</li> <li>➤ ICT equipment and support for regional and local libraries and cultural and community centers (Chitalishta).</li> <li>➤ Encouraging production of digital content by cultural organisations, as well as digital distribution of products.</li> <li>➤ ICT support for products and services related to cultural tourism in the regions, especially isolated and remote areas.</li> <li>➤ Using ICT for better promotion of cultural products and services at all levels.</li> </ul>

<b>(3) Enhancing the competitiveness of SMEs</b>	
Investment priority	Promoting entrepreneurship
Program relevance	ERDF
Main field of action	<ul style="list-style-type: none"> <li>➤ Establishing of regional and national financial support system for start-up companies and entrepreneurs in the field of creative industries, including support of young emerging entrepreneurs. Setting up strategic alliances and partnerships for the elaboration of such systems.</li> <li>➤ Encouraging development of regional networks and platforms for cultural entrepreneurs, both online and offline.</li> <li>➤ Initiating regional mapping exercises for research of local resources for arts and cultural entrepreneurship, including crafts and art based on folk traditions.</li> <li>➤ Incorporating entrepreneurship and small business management in the curricula of arts management and cultural administration programmes across the country.</li> <li>➤ Motivating contests and grants for university students in arts and culture for elaboration of innovative entrepreneurial projects.</li> </ul>

<b>(4) Supporting the shift towards the low-carbon economy in all sectors</b>	
Investment priority	Supporting energy efficiency in public infrastructures Promoting low-carbon strategies for urban areas
Program relevance	ERDF
Main field of action	<ul style="list-style-type: none"> <li>➤ Improving energy efficiency of the cultural infrastructure across the country through modernization, reconstruction and other actions.</li> <li>➤ Elaborating a toolkit for guiding cultural operators on using energy efficiency standards and requirements when organizing public events and managing cultural infrastructure.</li> <li>➤ Supporting initiatives in the field of culture and creative sector that help for increasing public awareness on sustainability, climate change, and the need for development of low-carbon economy (e.g. workshops, public debates, educational seminars, interactive training sessions, etc.)</li> <li>➤ Encouraging cultural organisations to include energy efficiency directions in their strategic plans and projects, in cooperation with relevant stakeholders and experts (e.g. urban architects, designers, researchers, landscape planners, and so on.)</li> </ul>

<b>(6) Protecting the environment and promoting resource efficiency</b>	
Investment priority	Protecting, promoting and developing cultural heritage
Program relevance	ERDF
Main field of action	<ul style="list-style-type: none"> <li>➤ Connecting investment in cultural infrastructure (modernization, repairing, and renovation) with commissioning of contemporary artists for parts of the project-related to external public areas, internal design, improvement façade of the buildings, and so on.</li> <li>➤ Seeking innovative ways for the transformation of historical and cultural heritage buildings into spaces of common interest for the communities living in the area and increasing their attractiveness for the local population.</li> <li>➤ Engaging local stakeholders and communities in the process of protecting, promoting and developing cultural heritage through a variety of methods and tools aiming at building up the sense of common ownership of these sites.</li> <li>➤ Implementing educational programs at cultural heritage sites for youth and children, for disadvantaged groups of the population.</li> </ul>

<b>(8) Promoting employment and supporting labour mobility</b>	
Investment priority	Development of business incubators and business creation
Program relevance	ERDF and ESF
Main field of action	<ul style="list-style-type: none"> <li>➤ Encouraging the development of business incubators on regional and local level, specially targeting disadvantaged groups in the cultural sector, such as unemployed women with creative skills.</li> <li>➤ Developing coaching programmes for cultural operators and artists for the elaboration of business plans for start-up ventures in the field of creative industries.</li> <li>➤ Developing training programmes, both online and offline, for improving the competences and skills of cultural operators in management functionalities and foreign language proficiency, including for unemployed artists and cultural professionals.</li> <li>➤ Supporting artistic mobility between the regions of Bulgaria and encouraging inter-regional touring for widening audiences and gaining higher visibility of cultural products and services.</li> <li>➤ Supporting international mobility aiming at enlarging market opportunities for the labor force in the field of culture.</li> </ul>

<b>(9) Promoting Social inclusion and combating poverty</b>	
Investment priority	(a) Investing in health and social infrastructure which contribute to national and regional local development (b) Support for physical and economic regeneration of deprived urban and rural communities (c) Support for social enterprises
Program relevance	ERDF and ESF
Main field of action	<ul style="list-style-type: none"> <li>➤ Supporting implementation of arts and culture elements in the urban regeneration of economically deprived urban and rural areas, incl. transformation of abandoned industrial buildings and facilities into artistic and cultural centers.</li> <li>➤ Fostering intercultural exchange and cross-collaborative creative projects between different ethnic groups in economically and socially deprived areas where there is a high level of cultural diversity and representation of different ethnic groups.</li> <li>➤ Encouraging the inclusion of multicultural dimensions and cultural chapter in the regional and local strategies for economic regeneration of deprived cities and villages.</li> </ul>

	<ul style="list-style-type: none"> <li>➤ Initiating discussions, forums, online platforms and public debates on understanding the role and long-term effects of social enterprises in the deprived urban and rural areas and encouraging the establishment of social enterprises connecting culture with social issues.</li> <li>➤ Facilitating the social and cultural exchange in socially critical areas, facilitating mutual knowledge, tolerance and understanding between different ethnic communities and segregated groups of the population through diverse cultural and artistic methods.</li> </ul>
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**(10) Investing in education, skills and lifelong learning**

Investment priority	Investing in education, skills and lifelong learning
Program relevance	ERDF and ESF
Main field of action	<ul style="list-style-type: none"> <li>➤ Connecting the curricula of universities and training centers with the needs of the regions and cities, especially related to the connections between culture and local development for improving employment opportunities of the graduated students.</li> <li>➤ Supporting courses and programmes improving practical skills of graduates from culture and humanities, especially related to start-up businesses, entrepreneurship, business planning and management capacity.</li> <li>➤ Elaboration of online training and educational modules for cultural professionals to support lifelong learning opportunities and improving qualification of unemployed professionals from the cultural sector.</li> <li>➤ Fostering programmes and schemes for training the trainers (teachers, university professors, professional training instructors), related especially to the development of management competences and skills in the cultural sector and creative industries, matching the new changed business, economic and market realities.</li> </ul>

<b>(11) Enhancing institutional capacity and ensuring an efficient public administration</b>	
Investment priority	Enhancing institutional capacity and ensuring an efficient public administration
Program relevance	ERDF and ESF
Main field of action	<ul style="list-style-type: none"> <li>➤ Development of training modules for public administrators in the region on culture and creative industry policies and instruments.</li> <li>➤ Creating a Steering Committee (Inter-Ministerial Group) for monitoring, coordination and strategic evaluation of the use of Structural Funds in the field of culture and creative industries.</li> <li>➤ Supporting implementation of digital and intranet facilities in the local and regional public administration and important state cultural organisations in the internal management and administrative processes.</li> <li>➤ Promoting the use of online technologies and social media for public participation in the local decision-making related to cultural matters, especially engaging socially and economically deprived communities.</li> <li>➤ Modernization of public policy tools for managing cultural projects and programmes on regional level, including implementation of online management tools.</li> </ul>

## **Appendix 1: List of Abbreviations**

CCI - Creative/cultural Industries

CF - Cohesion Fund

CSF - Common Strategic Framework

EAFRD - European Agricultural Fund for Rural Development

ERDF – European Regional Development Fund

ESF - European Social Fund

MK – Ministry of Culture of Bulgaria

MRDPW - Ministry of Regional Development and Public Works

NSRF – National Strategic Reference Framework

OP – Operational Programme

OPRD – Operational Programme “Regional Development”

OPAC – Operational Programme “Administrative Capacity”

## **Appendix 2: References**

### **EU level: documents and research papers**

CSES / ERICarts (2010), Study on the Contribution of Culture to Local and Regional Development – Evidence from the Structural Funds: [http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development\\_en.htm](http://ec.europa.eu/culture/key-documents/contribution-of-culture-to-local-and-regional-development_en.htm)

Culture Action Europe (2011), The *we are more* Campaign Guide for the Negotiations on the Structural Funds 2014-2020: <http://www.wearemore.eu>

European Commission, 'Elements for a Common Strategic Framework 2014 to 2020: the European Regional Development Fund, the European Social Fund, the Cohesion Fund, the European Agricultural Fund for Rural Development and the European Maritime and Fisheries Fund', Commission Staff Working Document, SWD (2012) 61:

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Cultural Policy Profile of Bulgaria, Compendium of Cultural Policies and Trends in Europe:

<http://www.culturalpolicies.net/web/bulgaria.php?aid=1>

European Union Regional Policy, Bulgaria: General Information:  
[http://ec.europa.eu/regional\\_policy/country/prordn/search.cfm?gv\\_pay=BG&gv\\_reg=ALL&gv\\_obj=ALL&gv\\_the=ALL&lan=EN&gv\\_per=2](http://ec.europa.eu/regional_policy/country/prordn/search.cfm?gv_pay=BG&gv_reg=ALL&gv_obj=ALL&gv_the=ALL&lan=EN&gv_per=2)

KPMG (2011). Mid-term Evaluation of Operational Programme Regional Development” 2007-2013. Final Report, 28 February 2011 (Under project BG161PO001/5-01/2008/037).

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National Strategic Reference Framework, Programming period 2007-2013, Bulgaria:  
<http://www.eufunds.bg/en/page/66>

Operational Programme “Development of the Competitiveness of the Bulgarian Economy” 2007-2013, Bulgaria:  
[http://ec.europa.eu/regional\\_policy/country/prordn/details\\_new.cfm?gv\\_PAY=BG&gv\\_reg=ALL&gv\\_PGM=1009&LAN=7&gv\\_per=2&gv\\_defL=7](http://ec.europa.eu/regional_policy/country/prordn/details_new.cfm?gv_PAY=BG&gv_reg=ALL&gv_PGM=1009&LAN=7&gv_per=2&gv_defL=7)

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[http://ec.europa.eu/regional\\_policy/country/prordn/details\\_new.cfm?gv\\_PAY=BG&gv\\_reg=ALL&gv\\_PGM=1061&LAN=7&gv\\_per=2&gv\\_defL=7](http://ec.europa.eu/regional_policy/country/prordn/details_new.cfm?gv_PAY=BG&gv_reg=ALL&gv_PGM=1061&LAN=7&gv_per=2&gv_defL=7)

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Tomova, Bilyana & Andreeva, Diana (2011) Financial Framework for Development of the Arts, Cultural Heritage, Cultural and Creative Industries and Cultural Tourism at a National, Regional and Local Level in Bulgaria. Observatory of Cultural Economics, Sofia (In Bulgarian)

**Bulgaria: websites**

Cultural Policy Portal, Bulgaria (archived):

<http://www.culturalpolicy.dir.bg>

Cult.bg portal (archived):

<http://www.cult.bg/>

Ministry of Culture, Republic of Bulgaria:

<http://mc.government.bg/index.php?l=2>

Ministry of Finances of the Republic of Bulgaria: Management of EU Funds:

<http://www.minfin.bg/en/page/73>

EU Structural Funds, Bulgaria:

<http://www.eufunds.bg/>

Official Tourism Portal of Bulgaria:

<http://bulgariatravel.org/>

Operational programmes, Bulgaria: list of national authorities:

[http://ec.europa.eu/regional\\_policy/manage/authority/authorities.cfm?lan=EN&pay=bg#](http://ec.europa.eu/regional_policy/manage/authority/authorities.cfm?lan=EN&pay=bg#)

[1](#)

### **Appendix 3: List of experts**

The following key experts responded to the survey questionnaire and to all additional inquiries.

The author of the study expresses sincere thanks to all of them for their time and commitment to the current study.

Deyana Danailova  
Director  
Directorate "Cultural Policy"  
Ministry of Culture

Angel Angelov  
Director  
Directorate "Coordination of Programmes and Projects"  
Ministry of Culture

Mirena Staneva  
Formerly Chief Expert  
National Fund "Culture"  
Ministry of Culture

Dobrinka Krasteva  
Director, Programming of EU Funds Directorate  
Central Coordination Unit  
Council of Ministers

Anelia Grozdanova  
Director  
Directorate "Monitoring of EU Funds" Directorate  
Council of Ministers

Vera Markova  
Senior Expert  
Central Coordination Unit  
Council of Ministers

Mariana Kordova  
Director  
Operational Programme “Human Resource Development”  
Monitoring of EU Funds Directorate  
Central Coordination Unit  
Council of Ministers

Denitza Nikolova  
Chief Director  
Directorate General “Regional Development Programme”  
Ministry of Regional Development and Public Works

Natalia Efremova  
Acting Director General  
Directorate “European Funds, International Programmes and Projects”  
Ministry of Labour and Social Policy

Monika Dimitrova  
Director  
Directorate of Operational Programme ‘Administrative Capacity’  
Head of the Managing Authority of the OPAC  
Ministry of Finance

Kiril Geratliev  
General Director  
Managing Authority of Operational Programme “Development of the Competitiveness  
of the Bulgarian Economy”  
Ministry of Economy, Energy and Tourism

Mustafa Chaushov  
Senior Expert on Programming, monitoring and evaluation of operational program  
Directorate “European funds for competitiveness”  
Ministry of Economy, Energy and Tourism

Irena Parvanova  
Director  
Managing Authority of Operational Programme “Technical Assistance”  
Council of Ministers

Nikola Dechev

Chief of unit

Directorate "Monitoring, information and communication"

Managing Authority of Operational Programme "Transport"

Ministry of Transport, Information Technologies and Communication

Maria Duzova

Director General

Directorate Territorial Cooperation Management

Ministry of Regional Development and Public Works

Dobrinka Mihaylova

Executive Director

Audit of EU Funds Executive Agency

Rozalina Laskova

Program Director "International Projects and Programs", Observatory of Cultural Economics

Executive Director, Iliev Dance Art Foundation

## **Appendix 4: Questionnaires**

### **A. Questionnaire to the Directorates of the EU Operational Programmes, EU Funds Directorate, Central Coordination Unit, Ministry officials**

1. What is your overall assessment of the place of culture in the programme/fund which you operate – for the year 2007-2012? What is the share of the funds spent on programmes and projects in the field of culture and creative industries? In what areas were the projects (for example: creative industries, cultural tourism, culture and education, cultural heritage, unique cultural and social issues, etc.)?
2. Please, provide specific examples of significant cultural projects that received funding under the Operational Programme under your supervision. Please provide details of the Manager/Director and the website (if any).
3. What in your opinion are the main difficulties and problems in the use of the European Structural Funds for projects in the field of culture and creative industries, and the reasons for that?
4. What in your opinion should be the main priorities in the use of the European Structural Funds for projects in the field of culture and creative industries for the next planning period 2014-2020? Please, be specific.

### **B. Questionnaire to the Directors/Managers of organisations and projects-beneficiaries of EU structural funds**

#### **Questions related to the project:**

1. Please, describe briefly the main aims, target groups and expected results of the project.
2. Were the preliminary expected results achieved and if yes-to what extent?
3. Were there any elements in the design of the project which you consider as innovative? If yes, please, describe.
4. What were the main partners in the project? Did you face understanding and help from different institutions at all levels for realization of the project?

5. Please describe the main difficulties associated with the realization of the project and monitoring of the interim and final results.

**General questions, related to the place of culture in the European Structural Funds:**

1. What is your overall assessment of the place of culture and creative industries in the utilization of the European Structural Funds?
2. What on your opinion are the main difficulties and problems in the use of the European Structural Funds for projects in the field of culture and creative industries, and the reasons for that?
3. What in your opinion should be the main priorities in the use of the European Structural Funds for projects in the field of culture and creative industries for the next planning period 2014-2020? Please, be specific.

## **Appendix 5: Supported projects: Details**

### **Program Scheme: BG161PO001/1.1-05/2008**

**Support for effective and suitable state cultural infrastructure, aiming at development of sustainable urban areas.**

<b>Name of project/organisation (beneficiary)</b>	<b>In BGN</b>
Reconstruction of Drama Theatre "Adriana Budevskia", Burgas	1 335 588
Main reconstruction of the Bulgarian National Museum of Fine Arts	3 625 196
Construction, rehabilitation and modernization of the building of the opera in Rousse	1 187 493
Modernization of the main scene of the Drama Theatre "St. Bachvarov", Varna	4 278 696
Modernization of the building of the National School of Music and Dance "Dobrin Petkov", Plovdiv	726 613
Repair and rehabilitation of the building of the Professional School of Polygraphy and Photography, Sofia	950 599
Reconstruction, rehabilitation and equipment of the building of the Opera and Philharmonic Society, Ruse	968 635
Repair of building and landscaping the yard of the National Polytechnic Museum, Sofia	679 699
Repair and improve the energy efficiency of the building of the National School of Music and Stage Arts "Pancho Vladigerov", Burgas	797 743
Gas and modernization of technological equipment on stage Drama Theatre "V. Drumev", Shumen	1 465 242
Repair and modernization of the building of the Opera and Philharmonic Society, Burgas	1702 832
Reconstruction and renovation of the Theatre of Satire "Aleko Konstantinov, Sofia	787 827
Construction, reconstruction and modernization of the building complex Gig "Bulgaria", Sofia	1 938 343
National Museum Complex, Sofia	27 251 872
Repair and rehabilitation of the Architectural Museum, Sophia	819 000
<b>Total</b>	<b>48 512 679</b>

There will be 6 additional contracts under this scheme to be signed: all for repairing of five schools of arts, at the total amount of 6 million BGN as follows:

- National School of Arts "Good Hristov", Varna;
- National School of Arts "Nikolay Pipkov", Pleven;
- National School of Dance Arts, Sofia;
- National School of Folk Arts "Philip Kutev", Kotel;
- National School for Ancient Languages and Cultures "Constantine Cyril the Philosopher", Sofia.

**Program Scheme: BG161PO001/3.1-01/2008**

**Support for cultural monuments of national and global importance contributing to the sustainable tourism development**

<b>Name of project/organisation (beneficiary)</b>	<b>In BGN</b>
Restoration and conservation of the church "St. George", Arbanassi	926 519
Restoration and socialization of NIAR "Pliska"	1 268 978
Recovery, exposure and development of tourist infrastructure at the Early Christian basilica "Red Church" near Perushtitsa	2 304 052
Restoration of the building of "cruciform barracks" (Ethnographic exposure) and construction of related infrastructure, Vidin	1 505 777
Ancient Cultural Communication Complex "Serdika", Sofia	15 801 989
Socialization of NIAR "Nikolopis ad Istrum"	1 934 321
Conservation, Restoration and socialization of the mound "Shoushmanets"	1 115 087
Restoration and socialization of the Roman fortress "Sexaginta Prista "	1 293 602
Building a retaining wall, decorative lighting and tourist infrastructure for access to historical reserve "Trapezitsa", Veliko Tarnovo	4 833 629
Conservation, restoration and exhibition of Eski mosque and creating a Museum of Religions, Stara Zagora	2 368 381
<b>Total</b>	<b>33 352 335</b>

