



Republic of Bulgaria
ECONOMIC
AND SOCIAL COUNCIL

OPINION

on

"THE MOUNTAINOUS AND SEMI-MOUNTAINOUS REGIONS IN BULGARIA - PROBLEMS AND OPPORTUNITIES FOR DEVELOPMENT"

(own-initiative resolution)

Sofia, 2018

The Economic and Social Council of the Republic of Bulgaria included in its Action Plan for 2018 the elaboration of an opinion on "Mountainous and semi-mountainous regions in Bulgaria - problems and opportunities for development".

The elaboration of the opinion was assigned to the Regional Policy, Sustainable Development and Environment Commission (RPSDEC). Valentina Zartova and Lachezar Iskrov - ESC members from Group I: Employers - were appointed rapporteur and co-rapporteur. The draft opinion was discussed and adopted by the RPSDEC on 19 June 2018.

At the plenary session, held on 6 July 2018, ESC adopted this opinion.

ABBREVIATIONS USED

EU - European Union

EC - European Commission

ESC - Economic and Social Council

MRDPW - Ministry of Regional Development and Public Works

NGOs - Non-Governmental Organizations

NIGGG - National Institute of Geophysics, Geodesy and Geography

RDP - Rural Development Programme

CBC - Cross-Border Cooperation

TIP - Targeted Investment Programme

EAFRD - European Agricultural Fund for Rural Development

ESIF - European Structural and Investment Funds

1. CONCLUSIONS AND RECOMMENDATIONS

1.1. ESC follows closely the efforts of the European Union and the Member States to develop and implement strategies and concrete measures for the development of mountainous regions. A number of European legislative acts, and in particular the report on the EU 2016¹ policy for cohesion in mountainous regions, are a good basis for progress. Account must also be taken of the importance of implementing macro-regional strategies to achieve the objectives of the cohesion policy. The EU Strategy for the Alpine Region is a good example of the inclusion of these areas within a strategy for the mountainous regions.

1.2. Given that mountainous regions represent a significant part of the EU territory (about 30%) and their ecosystem services are dependent on all Member States, the ESC stresses the role of these areas for the development of the Union.

1.3. Taking into account that in Bulgaria there are 123 mountainous and semi-mountainous municipalities, occupying 42.5% of the territory of the country and including 2555 settlements, where 20.9% of the population is concentrated, ESC notes the extremely important role of mountainous regions for the balanced regional development of the country. These parameters place Bulgaria on 7th place in the EU in terms of mountainous regions - a fact that proves their great importance for the social and economic prosperity of Bulgaria.

1.4. ESC considers mountain regions to provide a basis for many economic activities, focusing on agriculture, forestry, tourism and energy, taking into account the cultural and natural heritage of these areas and the diversification of farms.

1.5. ESC expresses its concern that mountainous regions exceed other parts of the country in terms of depopulation, underdeveloped and poor quality technical infrastructure, backwardness in economic development and limited access to quality public services, especially to services of general interest in the sphere of healthcare, education and culture. In this regard, ESC declares its support for the efforts of the Bulgarian governments to take actions aimed at overcoming these challenges.

¹ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0074+0+DOC+XML+V0//EN>
9.05.2016 - Report on Cohesion Policy in mountainous regions of the EU. (2015/2279 (INI))

1.6. At the same time, ESC calls for a clear vision for the development of mountainous regions, which builds on their own potential and the opportunities provided by the development of modern science and technology, alternative solutions, cohesion policy and social innovation. ESC considers that mountainous regions in Bulgaria should become subject not only to targeted attention but also to the implementation of specific measures and policies.

1.7. According to ESC, future policies, instruments for impact and sustainable development measures in the Bulgarian mountainous and semi-mountainous regions should focus on reviving and diversifying the economy, coordinated and sustainable development, connectedness and accessibility of the regions and settlements, stable municipalities implementing institutional support.

1.8. The ESC endorses the European Parliament's call for "the use of European structural and investment funds to tackle demographic challenges (ageing, population decline, demographic pressure, inability to attract or retain adequate human resources) that affect European regions in a variety of specific ways, and in particular the need to provide appropriate support for certain territories"².

1.9. Given that there is no explicit definition of mountainous regions in EU regional policy, ESC asserts that the EC should begin a process of developing a workable definition of functional mountainous regions, which should complement the definition of mountainous regions used in the context of the European Agricultural Fund Rural Development (EAFRD). It would be expedient for the next programming period to elaborate a EU programme for mountainous regions which would provide a basis for an EU strategy for achieving the long-term development of European mountainous regions.

1.10. ESC shares the view that the EC should change the way in which cohesion policy and the European Semester are linked in order to strengthen its territorial dimension and take into account other factors contributing to convergence objectives such as real convergence.

1.11. In this opinion, ESC also proposes some concrete measures that will create a favourable environment for the development of mountainous regions in the country as: Integrated Strategy for the Sustainable Development of Mountainous and Semi-Mountainous Regions in Bulgaria; introduction of a national quality standard

² EP Report on Strengthening Economic, Social and Territorial Cohesion in the European Union: 7th Report of the European Commission, A8-0138 / 2018,0 5.04.2018

"mountain product"; creating a supportive environment for the development of mountain entrepreneurs; a comprehensive review of the standards and allocation mechanisms for government transfers with a view to taking into account the higher costs of providing services in mountainous and semi-mountainous municipalities.

2. INTRODUCTION AND GENERAL BACKGROUND

2.1. Over the past 25-30 years, mountainous areas in Europe and Bulgaria have increasingly been seen as distinct from other areas. Gradually, there began the developing and implementing development strategies: initially for the Alps, and later for the Carpathians. It can be said that in parallel with climate change measures, there is an increasing interest and need for more robust and effective policies for mountainous regions.

2.2. Nearly all European countries are increasingly involved in their sectoral and regional policies and various measures for a targeted impact on the development of mountainous regions. This process has intensified since 2002, which was declared an International Year of the Mountain. A further impetus in this direction was given by the EU Treaty of 2010 which expressed the common desire of Member States to work towards convergence in the development of mountainous regions³.

2.3. Bulgaria is also part of this process. Already in 1993 The 36th National Assembly commissioned the elaboration of a Report on Legislative and Programming Provision for the Development of Mountainous Regions, which was later followed by a Draft Act of the National Assembly on Mountainous Regions. Although these documents were not adopted, they became a good basis for all subsequent developments related to the development of rural or mountainous and semi-mountainous regions in Bulgaria⁴.

2.4. In this regard, ESC considers that mountainous regions in Bulgaria should become subject not only to targeted attention but also to the implementation of specific measures and policies.

³ <https://eur-lex.europa.eu/legal-content/EN/TXT/?uri=celex%3A12012E%2FTXT>
Consolidated texts of the Treaty on the Functioning of the European Union

⁴ Decision No 7 of the 36th National Assembly of February 1992 Concerning the establishment of a Standing Committee on Mountain, Semi-High and Border Areas. SG. no. 35, year 2003.

3. DEFINITION FOR MOUNTAINOUS REGIONS

3.1. The identification and clear distinction of mountainous and semi-mountainous regions is still the subject of scientific discussion in many EU member states, each of which uses its own methodology.

3.2. ESC accepts the understanding of most European countries that four key criteria for defining mountain and semi-mountainous regions can be adopted: elevation; diversity of relief, slope and climatic contrast.

3.3. In different countries, according to the objectives set, other criteria are added that do not modify the scope of the definition of mountainous regions. One of the largest European surveys was carried out by NORDREGIO in 2004 on the basis of the above mentioned criteria (excluding climate). It covers all 27 EU countries plus Norway and Switzerland. The next significant study, the Green Paper on Territorial Cohesion⁵, also considers morphological characteristics of the typology of mountainous regions as the leading criteria. This approach allows distinction to be made between areas with a predominantly mountainous relief or a predominant population inhabiting a mountainous region.

3.4. Different typologies for the definition of an area as mountainous require that at least 50% of their population live in the areas determined by morphometric indicators as mountain or that over 50% of the area of the respective territorial unit is mountainous. The Green Paper on Territorial Cohesion suggests that the European Commission, in cooperation with the Member States, should adopt a territorial approach to tackling the problems of different mountainous regions and provide for specific measures for the next legislative package on the Structural Funds.

3.5. ESC finds that the publication of the Green Paper on Mountainous Regions is the first important step in realizing the idea of the EC to develop a truly integrated EU strategy for mountainous regions. Later, the Fifth Cohesion Report (2011) modified this typology and defined as mountainous those regions where most of their surface is classified as such (even if most of their population live outside mountainous regions). The above-mentioned NORDREGIO study showed that mountain municipalities occupy about 40.6% of the territory and 19.1% of the population of the 29 European countries surveyed.

⁵ http://ec.europa.eu/regional_policy/archive/consultation/terco/paper_terco_bg.pdf
06.10.2008 - Green Paper on Territorial Cohesion. Turning Territorial Diversity into Advantage.

3.6. In the application of the European methodology for Bulgaria, the analogous indicators are higher (over 50% for the territory and the population), as municipalities such as Smolyan, Gabrovo, Kardzhali and even the municipality of the capital - Sofia, which meet the above criteria⁶. The choice of criteria or indicators for determining these areas also depends on the number of municipalities and settlements that will be subject to a targeted regional policy by the state. Depending on the objectives of the different legal documents and studies, the criteria adopted in them are different and according to them the number of mountain and semi-mountain municipalities in Bulgaria ranges from 120 to 144, and the settlements in them - between 2170 and 2900 (according to the criteria of the Draft Mountainous Regions Act of 1995 - 142 municipalities and 2996 settlements; according to Regulations 14/01.04. 2003 on determining the settlements in rural and mountainous regions - 138 municipalities with 2172 settlements; according to the Regulations on defining criteria for disadvantaged areas and their territorial coverage - 144 municipalities with 2172 settlements)⁷.

3.7. According to the results of the last geological survey of the NIGGG of the Bulgarian Academy of Sciences⁸, carried out under a project with the Ministry of Regional Development and Public Works to determine the territorial coverage of mountainous and semi-mountainous regions in Bulgaria, the mountain and semi-mountain municipalities in the country are 123 and occupy 42.5% with 2 555 settlements with 20.9% of the country's population.

3.8. These parameters rank our country 7th among EU Member States in terms of mountainous regions. ESC considers that this fact shows the great importance of mountainous regions for the social and economic prosperity of Bulgaria.

3.9. In the context of the Cohesion Policy after 2020 and given that there is no explicit definition of mountainous regions in EU regional policy, ESC takes the view that mountain areas need complementary support from different EU instruments such as the EAFRD and European structural and investment funds (ESIF), which will contribute to their better and more inclusive development.

⁶ [http://www.niggg.bas.bg/departments-
bg/geographyb/%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%88-2/](http://www.niggg.bas.bg/departments-bg/geographyb/%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%88-2/)

92-00-345 / 15.06.2015 MRDPW Determination of the territorial coverage of mountainous, semi-mountainous and border regions in Bulgaria at municipal level for the purpose of developing a targeted investment programme for development of lagging areas, 2015;

⁷ SG. no. 35, year 2003., SG. No. 64, year 2004., SG. Br. 20, 2008.

⁸ [http://www.niggg.bas.bg/departments-
bg/geographyb/%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%B8-2/](http://www.niggg.bas.bg/departments-bg/geographyb/%D0%BF%D1%80%D0%BE%D0%B5%D0%BA%D1%82%D0%B8-2/)

3.10. ESC also underlines that there are different mountainous regions in the EU that are connected due to the fact that they face the same major challenges. Therefore, ESC supports the European Parliament's call for the EC to begin a process of creating a working definition of functional mountainous regions in the context of the cohesion policy to complement the definition of mountainous regions used in the context of the EAFRD in order to improve the coordination of the relevant policies and measures". According to ESC, such a definition should be broad and inclusive, taking into account various factors such as elevation above sea level, accessibility and slope.

3.11. As the EU does not have a specific policy for mountainous regions, ESC considers the proposal for the next programming period to be justified "to develop an EU mountainous regions programme that should form the basis for an EU strategy for achieving long-term development of mountainous regions and the regions depending on them"⁹. In this connection, it is imperative that the EC provides credible disaggregated statistical data on which to base policy initiatives.

4. CHARACTERISTICS OF THE MOUNTAINOUS REGIONS

4.1. ESC considers that defining the characteristics of mountainous regions is an important basis for the adoption of targeted policies for their development.

4.2. Taking into account European and Bulgarian normative practices, ESC finds that the most important characteristics of the Bulgarian mountainous and semi-mountainous regions are the following:

4.2.1. **Rich nature-resource potential**

Mountainous regions and municipalities contain more than 70% of the country's forest reserves and the predominant part of forests with economic purposes. About 1/4 of the forest fund is designated as a special purposes forest - water, anti-erosion, meliorative, recreational, green systems, etc. (protected forests and territories). In the mountains there are almost all protected natural areas (national parks, nature parks, protected natural and historical sites, reserves, etc.). A large part of them falls within NATURA 2000, which includes more than 85% of the meadows and over 70% of the leas and pastures. Plant diversity also has impressive features. About 2/3 of the country's

⁹ <http://www.europarl.europa.eu/sides/getDoc.do?pubRef=-//EP//TEXT+REPORT+A8-2016-0074+0+DOC+XML+V0//EN>
9.05.2016 - Report on Cohesion Policy in mountainous regions of the EU. (2015/2279 (INI))

species of plants and plant communities, many of which are of major economic importance, are found in our mountains. Along with its extremely important environmental function, natural vegetation (wood, grass and shrub) is traditionally used as an important source of diverse resources - wood, fodder, food, fruit, herbs, raw materials (tanning substances, essential oils, resins, dyes, etc.), many varieties of plants are used for the production of honey (about 600) or have decorative qualities (over 1000).

In the animal world, in terms of resources, the attention is directed to birds and mammals, the distribution of which is usually associated with the altitude of the plant belts, differentiate the respective fauna in the belt of the oak, beech, coniferous belt, subalpine and alpine belt. Of these, hunting species, which are considered to be resources for hunting tourism, are of major economic importance.

Mountainous regions are the main generator of the country's water resources, accounting for more than 2/3 of the main water sources. The numerous mountain rivers, the hundreds of high altitude lakes (especially in Rila and Pirin), the over 700 reservoirs in the lower belts of all the mountains, as well as the numerous and attractive waterfalls determine not only the tourist attractiveness of our mountains but also their significant hydropower potential. An important place in the nature-resource potential should also be attributed to mineral water, mainly related to the fault zones in the mountainous regions. This is the location of a total of 70% of all mineral water deposits in the country. This natural potential of the mountains is traditionally used in a number of balneological centers, established not only with national but also international significance such as: Hisarya, Pavel Banya, Narechen, Sandanski. Unlike other resources, mineral waters have renewable resources and, if exploited properly, are virtually inexhaustible.

In the mountainous and semi-mountainous areas of the country there are various mineral resources. Fuel-energy resources are represented by brown and lignite coal. Mining of minerals has revealed deposits of gold, silver and lead-zinc ores, the mining being carried out in the municipalities of Lucky, Pirdop, Zlatitsa, Chelopech, Madan, Rudozem, Krumovgrad, etc. Considerably more widely is the production of various non-ore minerals. Bentonite, quartz, perlite, talc, magnesite, fluorite, marble and limestone are extracted.

Nearly 1/3 of the agricultural fund and 24.6% of the arable land is located in mountainous regions. Despite the weaker soil fertility, this is a serious resource for the development of mountain farming and livestock breeding.

The cultural and historical heritage in the Bulgarian mountain municipalities is also a peculiar potential for development. It is based on the presence of authentic archaeological and architectural monuments from the antiquity, the Middle Ages and the period of Bulgarian National Revival, unique natural landmarks, as well as the preserved over the centuries folk arts and crafts.

4.2.2. Good population with low degree of urbanization

Small settlements are characteristic of Bulgarian mountainous regions. A significant part of them consist of scattered neighbourhoods. Their location in the Rhodopes (in the municipalities: Madan, Rudozem, Velingrad, Chernoochene, etc.) and Stara Planina (Tryavna, Troyan, Svoge, etc.) is very large. In the mountain and semi-mountainous municipalities, the 4th and 5th functional type predominates, i.e. they have low socio-economic and demographic potential. They comprise 39.4% of the villages and 36.6% of the cities in the country. Unlike other territories in the country, the relative share of the rural population there is - 45.6%. The high concentration of villages and village population shows the low degree of urbanization. The share of unusable housing stock, as well as the reconstruction of rural houses in villas, is constantly increasing. On the other hand, the preservation of relatively small municipalities allows for the stabilization of a certain administrative-institutional capacity for the provision of public services in the vicinity of the people's place of residence. In any case, difficult access to settlements, unfavourable climatic and meteorological conditions determine the more complex tasks of ensuring normal living conditions for the population of mountainous regions.

4.2.3. Exploited extractive industry and monoculture agriculture

From a socio-economic point of view, many of these areas are characterized by a strong mining industry - ore and coal mining - as well as logging. At the same time, processing capacities for the extracted raw materials are much less developed, with almost no high-tech production. In the field of agriculture and livestock farming, small farms are predominant. After the contraction of the monoculture production of tobacco and potatoes, the production of raspberries, sour cherries, aronia, etc. was slowly and slowly restored. Tourism is relatively well developed but poorly linked to other industries. The tertiary sector is lagging behind.

5. THE PROBLEMS RELATED TO THE DEVELOPMENT OF MOUNTAINOUS REGIONS

5.1. ESC considers that the problems in the development of the mountainous regions are well known, but over time the magnitude of their negative manifestation changes. In this regard, ESC highlights the following main problems in the development of mountainous regions in Bulgaria:

5.1.1. **Decreasing population and depopulation**

Negative demographic trends are characteristic of the whole country, but in mountainous communities they are manifested more and more strongly. Unfortunately, this applies to a large number of mountainous municipalities and the few exceptions are mainly caused by the ethno-religious composition of the population, not the result of successful policies. For the last 30 years the population in our country has decreased by over 20%, while in these regions the decrease is twice as big. It is alarming that almost half of the mountainous municipalities during this period lose 2/3 of their human potential. Also, ESC is warning about the worsening age structure of the population - more than 20% of the population is over 65 years of age, which already clearly determines the future trends of depopulation and demographic collapse in these areas.

5.1.2. **Undeveloped and poor quality technical infrastructure**

This is most relevant to transport connectivity and above all to the road network, as road transport is the main means of accessibility in these areas. Over 90% of the roads are of a low class (third and fourth) and have deteriorated functional-performance characteristics. Nearly 1/3 of the settlements have no transport links with local and regional centres of a higher hierarchical type. Electricity and water supply networks are relatively well developed and evenly located. Under normal maintenance and rehabilitation they can meet the future needs of the population and businesses. The same applies to Internet coverage, which naturally requires improved technological features. Extremely limited sewerage networks and the lack of wastewater treatment plants are increasingly becoming a staple of development.

5.1.3. **The economy is lagging behind**

The unilateral and isolated development of the economic sectors, the closure of many industrial structures during the transition to market economy led to high unemployment, increased migration and seasonal employment. The "new residual

economy" is based on fragmented landed property and small-scale farming without a reliable relationship with the market; livestock farming is mainly aimed at self-sufficiency; mining capacities are used for raw materials to be utilized in other regions of the country or directly exported; temporary workshops are attracted by the low cost of the labour force but they prove unsustainable. The development of logging, which almost everywhere is associated with over-exploitation of the forests and threatens the future of the Bulgarian forests, is of particular concern.

5.1.4. Access to quality public services, and in particular to services of general interest in the fields of healthcare, education and culture

The social infrastructure in place is gradually being renovated as a material base (building stock), but it lags behind in terms of modern equipment and new service technologies. At the same time, in many places, due to lack of sufficient inhabitants, it is not used and is deteriorating. The modern organization of healthcare and education is implemented in support centres with municipal hospitals and protected or schools with commuting students. However, the difficult transport accessibility and the waste of time are a strong limiting factor for meeting the real needs of the population. Access to healthcare and health services is one of the most difficult problems in mountain villages in the country. In over 70% of the settlements there is no registered practice of a general practitioner. Even more serious are the problems with access to medicines, which is drastically restricted. Only 6% of the mountain villages have pharmacies working with the National Health Insurance Fund (NHIF), and there are any kind of pharmacies in just one out of every 10 settlements. The problems with security and protection of the production and property of the mountain inhabitants are also serious.

5.2. The ESC also considers that, as a whole, Bulgarian mountainous regions as well as European ones face common challenges arising from the presence of adverse factors (extreme conditions and remoteness, depopulation and population ageing, limited job opportunities and access to services, lack of increased connectivity, increased risks of climate change and social exclusion).

5.3. ESC notes that problems specific to the Bulgarian regions are related to their strong economic backwardness and increased regional disparities, the dramatic manifestation of negative national tendencies in the field of demography and healthcare, the critical state of the municipal road network, etc.

5.4. The EU and the majority of Member States are already very clearly and objectively assessing the role and potential contribution of mountainous regions to achieving

Europe-wide development goals. There is awareness that these areas can become an additional growth generator with their own rich resource potential, opportunities to deliver multiple ecosystem services, contributing to the fight against climate change, and preserving biodiversity and protected areas. In this regard, ESC supports the intention to justify and develop a pan-European integrated policy for these areas using the experience of the Alps. The adoption in 2016 of the European Parliament resolution on Cohesion Policy in mountainous regions of the EU is a good start for this process¹⁰. It calls on the EU to develop a Programme for Mountainous Regions and a White Paper on their development by focusing future actions on four main strands:

- coordinated approach;
- jobs and growth;
- social dimensions;
- protection of the environment and
- connectivity and accessibility.

5.5. In Bulgaria, attempts to form a specific attitude towards these areas are mainly pursued through sectoral policies and especially in the Operational Programme for Rural Development. The planning documents for regional development (Strategy and National Concept for Spatial Development) also pay attention to these areas¹¹. The Target Investment Program (TIP) for the development of North-western Bulgaria, Strandzha, Rhodopes and other border mountainous and semi-mountainous regions offers a kind of synthesis and territorial link between different plans and measures since 2015-2016. Unfortunately, a very small part of the planned measures¹² and impact instruments are being implemented and for now there is no visible effect of their implementation. Negative processes in the development of mountainous and semi-mountainous regions are deepening, with more than half of municipalities showing critical deficiencies.

5.5.1. ESC considers that all this shows the need to rethink the traditional approaches that focus mainly on the treatment of these areas as "lagging behind" and "non-prospective" with measures to support them mainly through state budget funds. It is imperative to have a clear vision of their development, which relies on their own

¹⁰ European Parliament resolution of 10 May 2016 on EU cohesion policy in mountainous regions (2015/2279 (INI))

¹¹ National Concept for Spatial Development for the Period 2013-2025, MRDPW, 2012

National Regional Development Strategy 2012-2022 <http://www.mrrb.government.bg>

¹² TIP (2015) A targeted investment program to support the development of North-western Bulgaria, the Rhodopes, Strandzha - Sakar, the border, mountainous and semi-mountainous underdeveloped areas, MRDPW www.mrrb.government.bg/docs/db9689ef970a53b60e55ae838ca38e3d.pdf

potential and the opportunities provided by the development of modern science and technology, alternative solutions, cohesion policy and social innovation.

6. POLICIES, INSTRUMENTS FOR IMPACT AND MEASURES FOR SUSTAINABLE DEVELOPMENT OF THE BULGARIAN MOUNTAINOUS AND SEMI-MOUNTAINOUS REGIONS

6.1. Urgent public investments must be directed to mountainous regions, which together with market mechanisms to develop the traditional know-how of the areas of modern agriculture and forestry, tourism and energy, ecosystem services and preservation of cultural and natural heritage, taking into account the objective constraints and conditions for their development. Changing policies targeting mountain areas will eventually lead to the potential of these areas to become a permanent generator of additional national income.

6.2. ESC recommends that future policies, impact instruments and sustainable development measures for Bulgarian mountainous and semi-mountainous regions should focus on the following areas:

6.2.1. **Reviving and diversifying the economy through:**

6.2.1.1. Integrated development of resource-bound and complementary economic sectors to increase added value for regions and development of the country. Typical examples of suitable production chains are: logging - wood processing - furniture production; livestock - meat and milk production - dairy and meat products; forestry - herbs, cosmetics and pharmaceuticals.

6.2.1.2. Diversification of the range of end products derived from local resources. The greatest potential in this respect lies with tourism and mineral waters. The skiing and recreation tourism portfolio should be enriched with culinary, pedestrian, sports, health and cultural tourism. Mineral waters has an inexhaustible potential for its fuller use for the purposes of heat supply, greenhouse production, spa treatment and prophylaxis, the production of pharmaceutical and cosmetic products.

6.2.1.3. Priority development of small and medium enterprises such as family businesses and traditional crafts. Family businesses have their healthy roots in the fields of agriculture and livestock, ceramics and woodworking, rural tourism and local crafts. They are the backbone of many economies around the world and are growing at an impressive pace. Their indispensable role in mountain areas is due both to

sustainability in periods of recession and stagnation, and to the unique features of management where owners are pursuing long-term prospects for their businesses. The reorientation of demand for large foreign investors (often offshore companies) to strong support for family business development is a key factor in retaining young people and stabilizing local communities.

6.2.1.4. Introducing a national quality standard for a "mountain product" with clear criteria of geographical origin and unambiguous regulation of foods that may be subject to such a standard. Combined with growing distrust of globalized agro-industry products, this determines the existence of significant market potential for mountain products. The country has a clear reputation for mountain products as healthy and with unique taste qualities, for which a significant proportion of consumers are willing to pay the corresponding higher price¹³. Initially, it will also be necessary for the state to engage with the marketing and advertising of this production to build public confidence and consumption habits.

6.2.1.5. Create a supportive environment for the development of mountain entrepreneurs by applying incentive measures for direct access to markets and funding, easing or reducing regulatory regimes, supporting training of professionals, helping to exchange information and good practices. For this purpose, it will be necessary to finance the development of specialized consulting products and platforms, as well as the expansion of local markets and markets. Subsidizing interest rates on loans, tax and other incentives, guaranteed opportunity to participate in public procurement, the introduction of strict rules and control over intermediaries' activities and the purchase of production is a mandatory element of the attractive environment for successful development of mountain production. This is a much more effective and mostly sustainable form of support that can not only complement but also gradually curb direct compensation for unfavourable conditions.

6.2.1.6. Priority development of high-tech and waste-free productions, organically linked to the specifics of the respective region. Intelligent specialization and innovation are the key to addressing some of the most tangible issues in mountain regions, such as: creating jobs and effective links between education, science and business; increasing the competitiveness of enterprises and overcoming the negative

¹³ p.mnekov.eu/F/I/FInal-report-AFIS-SnD-621.pdf "Public attitudes towards the introduction of the term" mountain product "in Bulgaria.

consequences of demographic collapse and climate change¹⁴. This requires well considered, skilfully prepared and consistently implemented long-term measures.

6.2.1.7. Creating a favourable environment for business development in mountainous and semi-mountainous regions by identifying special measures with a guaranteed budget for the beneficiaries of mountain regions in the Rural Development Programme (second pillar of the CAP) for the period 2021-2027.

6.2.2. Coordinated and sustainable development through:

6.2.2.1. Developing an Integrated Strategy for the Sustainable Development of the Mountainous and Semi-Mountainous Regions in Bulgaria, combining the socio-economic and spatio-structural characteristics of this development and given the public significance, is appropriate to be adopted by the National Assembly. This strategic document should be based on a clearly defined geographic scope of these areas as well as a well-founded assessment of their socio-economic and resource-potential. In view of the specificity and diversity of the problems of the individual mountains, the strategy should be developed with skilful use of the top-down and bottom-up approach. This will ensure not only vertical but also horizontal connections; local communities and businesses will be involved in finding the best solutions for their municipalities and areas; will meet and evaluate competing ideas and intentions. On this basis, specific programmes for individual mountains will be developed, enriched with appropriate and unfulfilled measures under the adopted Target Investment Programme.

6.2.2.2. Develop sample models for sustainable development of mountain municipalities that offer different options for future development according to local resource potential, traditions and public attitudes. For example - development by the Institute of Mountain Breeding and Agriculture in Troyan of new varieties of vegetables and fruits suitable for cultivation in mountain areas. The main purpose of these models is through the prism of modern science and technology to offer the most favourable industry combination for the region, suitable high-tech productions and innovative solutions, as well as to evaluate the expected results in terms of time, quantity and quality. Their development should be done in parallel with the preparation of strategic planning documents in the constant exchange of information and ideas. The availability of variants will allow local authorities and communities to make

¹⁴ ISSS (2015) Innovative Strategy for Smart Specialization of the Republic of Bulgaria (2014-2020).

informed choices about their future and reduce opportunities to advance certain economic or political interests in the process.

6.2.2.3. Creating a favourable legal framework for the successful and, most importantly, correct implementation of the planned measures. This can be achieved both through changes to existing laws and through the preparation and adoption of a special Law on Mountainous and Semi-Mountainous Regions. The substantive scope of the necessary legislative changes will stem from the planned strategic objectives and measures to achieve them.

6.2.2.4. Organization of permanent monitoring and control for the implementation of adopted documents and decisions. This task is of particular importance because there are numerous examples of long-prepared and discussed documents that are hardly implemented or reported formally executed, but not monitored indeed. Specific for mountain areas is the intensified control activity on the normal and legal exploitation of natural resources. It is imperative to implement effective incentives and sanctions for environmentally friendly behaviour of businesses and local authorities in defending the interests of future generations.

6.2.2.5. Development of a Programme for Improving the Transport Connectivity of Mountain Settlements. The main focus of the Programme should be to upgrade and develop the road network with priority on critical stretches and roads that are the only transport link to access services and jobs. The financial support of the Programme should be borne by the state and municipal budgets, with different ratios between the two sources for individual municipalities (depending on their own revenues) and taking into account the possible contribution from the Rural Development Programme and from the cross-border cooperation programmes .

6.2.3. Connectivity and accessibility of areas and settlements through:

6.2.3.1. Annual allocation of target resource for the implementation of the Transport Connectivity Programme of Mountain Settlements. Attention should be paid to the implementation and coordination of national, municipal and European funding, with the extension of inter-municipal and cross-border cooperation for this purpose.

6.2.3.2. State support and incentives to build individual or group local sewerage and sanitation facilities for public service establishments as well as residential property for the local population to rehabilitate and change heating systems to reduce harmful

emissions and air pollution. State support should be achieved by skilfully adapting the rich experience accumulated in a number of European countries.

6.2.3.3. Improving Internet connectivity and access to next-generation technologies along with expanding training and support programmes implemented by public libraries, cultural and community centres, NGOs and others. Consideration should be given to creating preferences for the development of e-commerce and mobile commerce, as well as providing employment through distance work.

6.2.3.4. Expansion and, above all, timely financial provision of measures to prevent the risk of disasters, floods, fires, landslides and erosion processes.

6.2.4. Stable and supporting municipalities through:

6.2.4.1. Complete review of the standards and allocation mechanisms for government transfers to take into account the higher costs of providing services in mountainous and semi-mountainous municipalities, especially in the most remote and hard-to-reach areas.

6.2.4.2. Embedding modern technologies and equipment for remote service in the overall process of providing municipal services. With the assistance of line ministries, these forms should be prioritized in the fields of education, healthcare and administrative and technical services. In parallel, mobile groups and jobs should continue to be used.

6.2.4.3. Elaboration and adoption of municipal programmes for attracting young people and specialists with professions deficient in the region. In addition to their housing and living arrangements, a set of measures should be envisaged to provide conditions for a modern lifestyle, integration into the local community and lasting retention of attracted professionals. Determining the professional profiles of the educational institutions and expanding dual training, according to the future needs of the labour market in the region.

6.2.4.4. Expanding the community-led local development approach not only in the agrarian sector but also in the sectors with the potential to increase product diversity. State support should be available to co-finance the best strategies and projects.

6.2.4.5. Initiating and supporting the development of social enterprises and innovations, which give chance to the realization of vulnerable groups of the population. The non-governmental sector and local communities should be widely

involved in shaping and implementing local policies and in the development of volunteering.

6.2.4.6. Expanding the measures to explore and preserve the cultural and historical heritage and local identity, preserving and enriching local traditions and customs as well as their study and learning by young people.

6.2.4.7. Expansion of inter-municipal and cross-border cooperation for the joint implementation of infrastructure, social and cultural sites, as well as facilitation and support of local business contacts and initiatives. Using forms of interregional cooperation to solve the problems of mountainous region.

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