

## Annex 1. Recommendations at a glance

The following table brings together a set of recommendations that are the result of a review conducted by the OECD team in Bulgaria. This aims to facilitate discussion around recommendations given to fostering alternative and sustainable tourism.

<b>SMEs and entrepreneurship in alternative tourist development in support of alternative tourism</b>	
<i>Ensure a transparent and favourable business environment</i>	Ensure and on-going review and dialogue with key stakeholders about creating a business environment that is transparent, understandable to enterprises and enabling of entrepreneurship. The term 'business environment' used in this context is wide-ranging and incorporates the fiscal and regulatory framework that businesses face (including opportunities for and restrictions upon informal economic activity), incidences of corruption, the availability of capital for investment, the availability of skilled labour, and particular kinds of infrastructure issues such as internet access.
<i>Focus on local businesses</i>	Recognise the diversity of SMEs and seek to understand more about the characteristics of local businesses. Use such knowledge to encourage participation in local business initiatives. A particular feature should be to encourage various businesses to see themselves as part of a local 'tourism sector'. Supporting the creation of tourism business networks would be useful in this context.
<i>Strengthen business practices</i>	Devise flexible support mechanisms that relate to the world of the entrepreneur rather than mass produced training courses which will not be seen as relevant to their world and development needs. Small businesses may enhance business performance by adopting particular business practices but in many cases they will need to have opportunities to learn.
<i>Promoting partnerships</i>	Develop municipal partnership working that incorporates SMEs. A pre-requisite to effective implementation will be capability and capacity building for the various actors that will be involved. Partnership working is vital if there is to be effective co-ordination between the various actors with an interest in the development of alternative tourism in Bulgaria. Some of the principles of effective partnership working are as follows: recognition of inter-dependence; a convener is required that is seen to have legitimacy, expertise, and authority; a shared vision is developed where there is a sense of individual and collective benefits; a shared perception that decisions arrived at will be implemented.
<i>Undertake a skills mapping exercise and develop means for delivering relevant skills</i>	Review the curriculum of specialist colleges to make sure that it meets the needs of contemporary tourism businesses. In addition, undertake a skills mapping exercise and develop means for delivering relevant skills to the labour market. The availability of skills is potentially an important constraint on development. A clear assessment of the strategic skills needs in tourism is required. At a municipal or regional level this should involve attempting to map supply of skills with demand and fill gaps accordingly. The curriculum could also be extended to include entrepreneurship and start-up training at a variety of levels. There is a sense that some of the curriculum followed at specialist colleges is rather dated by European standards.
<i>Review current practices of business support and learn from them</i>	Review current practice of business support options available by finding out more about practice elsewhere and identify municipalities in other countries with experience of how to secure EU finance for support projects, and learn from them.

### Products and tools for a more sustainable alternative tourism sector

<i>Develop infrastructure</i>	The provision, or improvement, of better transportation and better power and pure water supply, together with waste disposal and sewage treatment will definitely have a positive impact to tourism. Especially as regards the development of alternative tourism, which targets the most remote regions of the country where the level of such provision is less than adequate, the potential results should probably be very positive, as the conditions are not yet appropriate for any tourism development.
<i>Develop information technology networks</i>	The information technology networks need to be developed and also the local enterprises need to become networked. Networking of the remote areas, where the majority of the alternative tourism enterprises are/shall be established, has still some way to go. This needs good and steady telephone lines infrastructure and specific promotion and orientation of the tourism business at the local level to join. Some incentives may have to be offered by the policy makers for the first steps to be done, until business understand the potential of networking and make further steps of their own.
<i>Develop alternative tourism products</i>	<p>The “activity oriented” products (can be rural tourism, ecotourism, sport and/or training tourism and health care or wellness tourism) are often based on the use of natural resources like lakes, streams and rivers, mountain trails in National Parks, as well as the use of natural hot springs. Licences should be issued to qualified “alternative” tour-operators for the use of such natural resources. Also, for the use of safety equipment and skill-qualified personnel and for co-operating with equally approved local partners. Regular auditing should also be a part of the policy implementation.</p> <p>For the development of the “cultural oriented” products (can be based on religious tourism, gastronomy and/or wine tourism, traditional music/festival tourism) policy should make it possible for local entrepreneurs, i.e. handicraft, vineries, etc., to co-operate with the relevant “alternative” tour operators, or build-up their own hospitality and marketing capacity to sustain their business in the tourist circuit. Local government and tourism agencies should accommodate in their tourism development planning the above, in producing a diversified and sustainable tourist product.</p>
<i>Develop policies to promote all year round tourism</i>	Central and local government should aim, and use their resources to do so, in promoting the “low” season tourist activities. The municipalities could organise local festivals at the margin or well out of the high tourist season. This will add new life at the region. Further on, conferences, social packages for elderly tourism, large business packages should all aim off-peak. The aim is to develop a 12 month operating tourist destination, with one or another activity each time leading the trend.

<b>Key policy challenges and needs in support of alternative tourism</b>	
<i>Rethink the regional structure and enhance co-ordination</i>	It will be important to strengthen capability of the administrative structure for tourism at the regional level and for the tourism sector to adopt the EU NUTS spatial planning system of 6 regions with a strong regional tourism agency in each region. These agencies should have marketing and economic development powers to facilitate and co-ordinate tourism in the regions, to aggressively attract inward investment using approaches such as tourism investment portfolios and demonstration projects, and co-ordinate bids for EU funding.
<i>Develop appropriate structure and co-ordination</i>	Clearly identify a strong central governmental structure, responsible for providing a tourism development strategy and able to allocate the necessary resources. Formal communication mechanisms should be put in place at national level to ensure that tourism receives attention in the key national agencies such as education, environment and transport. In many countries a co-ordinating tourism committee acts in this role. The forthcoming tourism strategy should contain a mechanism for vertical co-ordination between the municipalities, the regions and the national government, as a well as formal communication channels between the national government and the tourist associations. Clear responsibility should be established at each level of government for engagement with the EU mechanisms for funding.
<i>Promote a more contemporary policy focus and approach to policy formation</i>	Policy formation in Bulgaria should be more collaborative and inclusive and involve all key stakeholders in a transparent manner and reducing the <i>top-down</i> mechanism. The policy focus should be more reflective of contemporary international good practice (in terms of transparency, inclusiveness, consultation and communication) and in particular for diversification, should encourage the development of SME clusters based on both products and destinations, learning destinations based upon co-operation and mutual benefit, and support for product development and innovation in tourism. This can be achieved through public funding for, and facilitation of, clusters and innovation. A more general policy focus that recognises the need for the Bulgarian tourism sector to meet international competitive standards. This would include support in the areas of education and training, technology, marketing and branding, market intelligence/research and transparent investment in tourism development at the local level.
<i>Foster capacity building</i>	There is an urgent need for capacity building in both sectors for tourism. In the public sector there is a need for capacity building in (i) the basic understanding of how tourism works and the contemporary challenges faced by the sector, (ii) the basics of destination development and the role of and support needed by SMEs and entrepreneurs if they are to flourish, (iii) languages, and (iv) the workings of the EU and how to craft bids. In the private sector there is an urgent need for capacity building in (i) service delivery, (ii) technology, and (iii) languages.