

RESEARCH OF THE ENVIRONMENTAL DEVELOPMENT FOR IMPLEMENTATION OF EUROPEAN PROJECTS BY THE BULGARIAN MUNICIPALITIES

Kiril ANGUELOV

Technical university of Sofia, Faculty of management, Sofiq,
1000, St. Kliment Ohridsky str. 8, ang@tu-sofia.bg

Miglena ANGELOVA

Miglena Angelova is with University of National and World Economy,
1000 Sofia Bulgaria, m.angelova.phd@gmail.com

DOI: 10.13165/IE-19-13-1-05

***Abstract.** The paper presents the results of survey dedicated to the European funds and their role to the development of the local community in Bulgaria. The survey was conducted in the beginning of 2019 among representatives, from different hierarchical level, of the Bulgarian municipalities. The authors claim that for the small municipalities with limited financial budget and lack of well-developed local economy, which is not directly based on the specific location for tourist services or big private investment, the European funding is the major instrument for the realization of local public policy and regional development. The results of survey show the improvement of the positive attitude towards environment and institutional system of management EU funds in Bulgaria in comparison with the previous programming period.*

Keywords: *European funds, Bulgarian municipalities, local policies*

Introduction

Since 2007, when Republic of Bulgaria became a full member-state of the European Union, all perspectives for national and local development as well as economic growth are constantly connected to the support provided by the European funds. The direct access to the European funds for the Bulgarian business was considered as a major advantage for the achieving competitiveness on national and international level. The European funds play also key role for the development of the Bulgarian municipalities. National economy has no enough potential to guarantee proper sustainable growth. With very few exceptions (urban agglomerations and small tourist municipalities) all Bulgarian local authorities usually suffer from limited financial resources to implement focused local policy and on a good quality. Therefore the European funds for the Bulgarian municipalities are valuable and major source in two really important directions that guarantee overall development of the municipality: local infrastructure (transport, environmental, social, educational etc.) and local services (again in the same fields).

Bulgarian municipalities are the biggest beneficiary from the EU funded programmes managed on the national level both for the previous (2007-2013) but also and for the current programming period (2014-2020). The interest (including from scientific point of view) therefore is explicable and the focus of the present article is dedicated namely on the evaluation and the attitude of the representatives of the Bulgarian municipalities for the role of EU funds on the local level in the context of the overall national system for manage EU funded programmes.

Therefore the research is focused on the establishing the impact of European programmes managed on national level in the context of the Bulgarian municipalities. The objective of research is to determine the level of impact that European Programmes have on the development of the municipalities in Bulgaria.

The research thesis is connected with the different level of needs of implementation EU funded projects due to the dissimilar economic opportunities of the municipalities. In this reason the major thesis of authors is that European funds and European programmes are important for the development of all municipalities in Bulgaria, but they have significant and vital impact in municipalities with limited economic opportunities such the small and middle sized municipalities in Bulgaria are.

Literature Overview

European funds and European funded programmes managed on the national level are subject of continuous analysis and studies made by economists, politicians and of course – from scientists and researchers. Scientific literature is very rich and offers different interpretations for the role of EU funds and programmes on European, national, regional and local level.

One of the major interests of the researchers is directed to the EU rural development and the relevant European funds. This fact is absolutely logical and could be explained with the large budget allocated to implement the Common Agriculture Policy (including direct payments). For instance Kiryluk-Dryjska and Beba propose “a method for region-specific budgeting of European Union rural development funds, based on objectively measured indexes of rural development” [16]. In [23] Zasada et al explore in depth the link between cost efficiency of the rural policy and the real territorial needs. Almost in the same area, considering the correlation between the regional development needs and the EU rural development expenditure work Uthes, Li and Kelly. In [24] they claim “expenditure priorities are generally in line with regional needs... while for environmental topics the level of data required remains unsatisfactory for trend assessment.” The impact of European Rural Development Programme on NUTS 2 level and the interaction with the labour productivity is the subject of another scientific research of Smit et al [21]. Considering that over 50% of the European citizens live in rural area, their elaborated indicators (on the base of “spatial economic techniques”) that allow proper evaluation on the impact of rural programmes in fact propose the instrument for evaluation and comparison the role of rural development programmes.

Murauskiene and Karanikolos claim “European Structural and Investment Funds (ESIF) are a major source of investments in the newer EU member states” [17]. They explore the role of EU funds in the health system of Lithuania and conclude that several fields could be improved including more focusing health policy, secure transparent procedures for funding and lack of well-elaborated indicators for evaluation the results from the made investments. From the other side, all projects despite of their focus should guarantee the sustainability of their results. This really important aspect of implementation EU funded projects is explored Dobrovolskienė, Tvaronavičienė, and Tamošiūnienė in [13]. Summary view on the impact of the European funds for Latvia is presented in [22].

Due to the diverse measures covering under European Regional Development Fund, the scientific researches reveal various subjects, generally dedicated to the impact and reflection of EU funding over concrete economic sector. This is the case for instance for Agovino et al – in [5] they explore the implementation of European Regional Development Fund (ERDF) in particular in the field of separate waste collection in Italian regions and present proofs for failure of 2 programmes for separate waste collection. On the same basic position – the exploration in depth the impact of ERDF this time for some service in tourism is the research of Panfiluk [18]. She proposes a model of assessment of the effectiveness of ERDF management system “built on the basis of the Propensity Score Matching method, used to assess the effectiveness of community programs” [ibid]. The role of funding under ERDF on national and regional level, but in the energy sector is developed by Carfora et al in [8]. They claim that in Italy investments in renewable energies has direct significant impact in the decreasing level of unemployment and argue that “highly deprived areas incentivize more than the developed ones renewable energies” [ibid].

European Cohesion Fund is also under the light of the researchers interest. Dicharry, Nguyen-Van and Pham present one of the recent publications on this subject. They explore data collected from 17 member states (for the period 1995-2015) that are beneficiaries of Cohesion Fund and on this base evaluate the effect of the Cohesion Fund. One of the major conclusions on their work is that “the ECF should be concentrated on poor countries having a large population size, and where the ECF has a strong ability to promote economic growth” [11]. Rokicki and Stępniaik explore the role of major transport projects for the

strategic policy of the territorial cohesion. One of their major conclusions is that “accessibility improvement seems to be weakly but positively correlated with growth in regional employment” [20]. The impact achieving from project funded by the European Social fund (ESF)– the oldest EU fund also is in the attention of researchers and scientists. Pelucha, Kveton and Potluka for instance investigate the effects of training companies through the financial support of the ESF. They believe that “linking the ESF support to corporate competitiveness is crucial for demonstrating the effectiveness of public spending” [19].

Some of researchers have different approach towards the EU funding – they explore in most general way the role of EU funding as a whole strategic policy. Cerciello, Agovino and Garofalo reveal interesting findings. In [9] they explore the effect of intensive European regional policy and respective measures on local labour market. Asteriou and Spanos study the correlation between financial development and economic growth in the context of the final crises. They explore results provided by 26 member states of the EU and conclude, “when the crisis period is not included, financial development promoted economic growth, while during the crisis periods has an adverse effect on economic activity” [7].

For the majority of beneficiaries the question for optimal distribution and allocation of the available own financial resources in the process of preparation and implementation EU funded project is important and reasonable. In this regards different scientific analysis could be outlined for instance Angelov [4] and Dobrovolskienė and Tamošiūnienė [12].

However, there are no so many researches devoted to the subject for the role of EU funding on the local (municipal) level. Here we can point out the work of Kelemenis and Galiatsatou, which elaborate an approach to identify policy priorities of municipalities in Greece [15].

From Bulgarian authors we could outline Chankov and Georgiev who in [10 and 14] examine in comprehensive way the development of the European Union in more general approach. On the other side, the authors of the current paper conduct researches dedicated to the effective management of the European funds since the pre-accession programmes in Bulgaria. They study the progress of process as well as the main challenges that need to be overcome in the context of the Republic of Bulgaria. For instance in researches in 2013 the major difficulties and perspectives for the previous programming period were explored in depth with developed proposals for solving [1, 2, 3, 6].

European Funds In Bulgaria In The Context Of The Development Of The Bulgarian Municipalities

Bulgarian municipalities are the biggest beneficiaries both for the current (2014-2020) and for the previous programming period (2007-2013). Their key role for the overall process of implementation EU funded programmes on national level was admitted before the real start of full membership of Bulgaria in the European Union. Through the help of pre-accession programmes (like PHARE) central administration but also and some of the Bulgarian municipalities (in general cases – the big ones) had the chance to prepare for the main work in the first programming period. Unfortunately, the major part of the Bulgarian

municipalities had no opportunities and enters in the premier programming period not enough and well-prepared, without proper training and staff/team preparation, including specific knowledge and experience for the management of EU funded projects.

One of the delays generated on the overall process of management EU funded programmes in Bulgaria at the beginning of the premier programming period could be explained namely (but absolutely not only) to the weak and insufficient training of the Bulgarian municipalities – they were not well prepare for the crucial leading role they have to play. In this context – the Managing Authorities also underestimated the central position of the Bulgarian municipalities and did not provide them to the needed help and assistance to develop good quality projects as a prerequisite to the good quality implementations and achieved results from these projects.

However, on fig. 1 we visualize the leading role of Bulgarian municipalities as beneficiaries of the EU funded programmes managed on national level for the previous programming period and on fig. 2 is presented the situation for the current programming period.

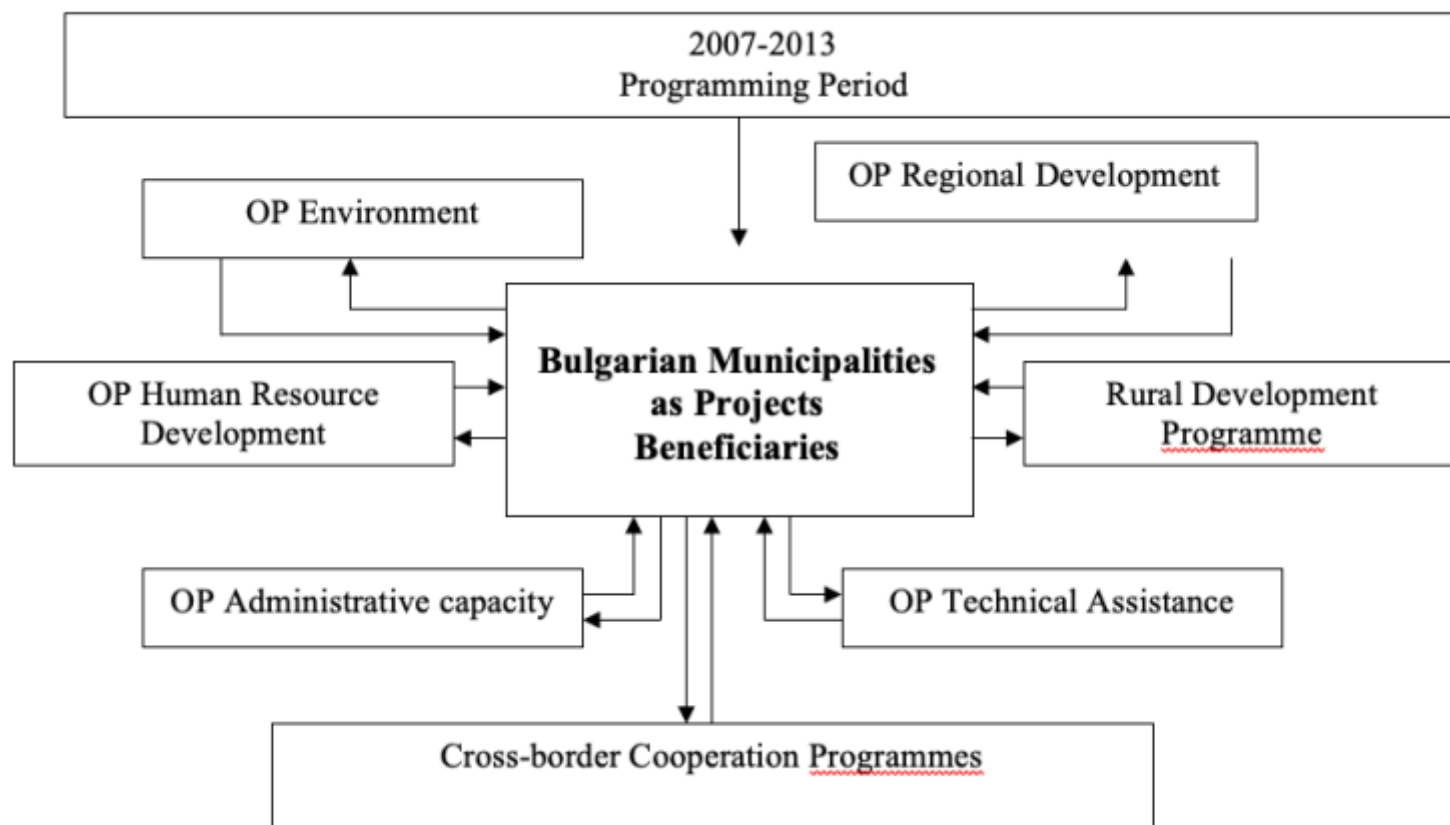


Fig. 1. The role of Bulgarian municipalities as beneficiaries, 2007-2013

Source: Authors' figure

As it is shown on fig. 1 – for the 2007-2013 programming period the Bulgarian municipalities are eligible beneficiaries for the most of the programmes with only two explicit exceptions – OP Transport (where there are major transport infrastructure projects on national level such as motorways, railway and road infrastructure. Interesting circumstance is that even under OP Transport in fact the Sofia Municipality could be considered as one of the beneficiaries due to the reason that Sofia Municipality is the majority owner of the Sofia Metropolitan – the company that prepare and implement project funded under ERDF and CF for the development of the Sofia metro). The second major exclusion where municipalities are not eligible as beneficiaries is the OP Competitiveness, which was the programme, devoted to the Bulgarian business. All other programmes had for direct or potential beneficiaries Bulgarian municipalities Therefore the role of local authorities and their administrative capacity for preparation, implementation and secure the sustainability of the project was really actual and crucial especially in the first several years of the 2007-2013 programming period.

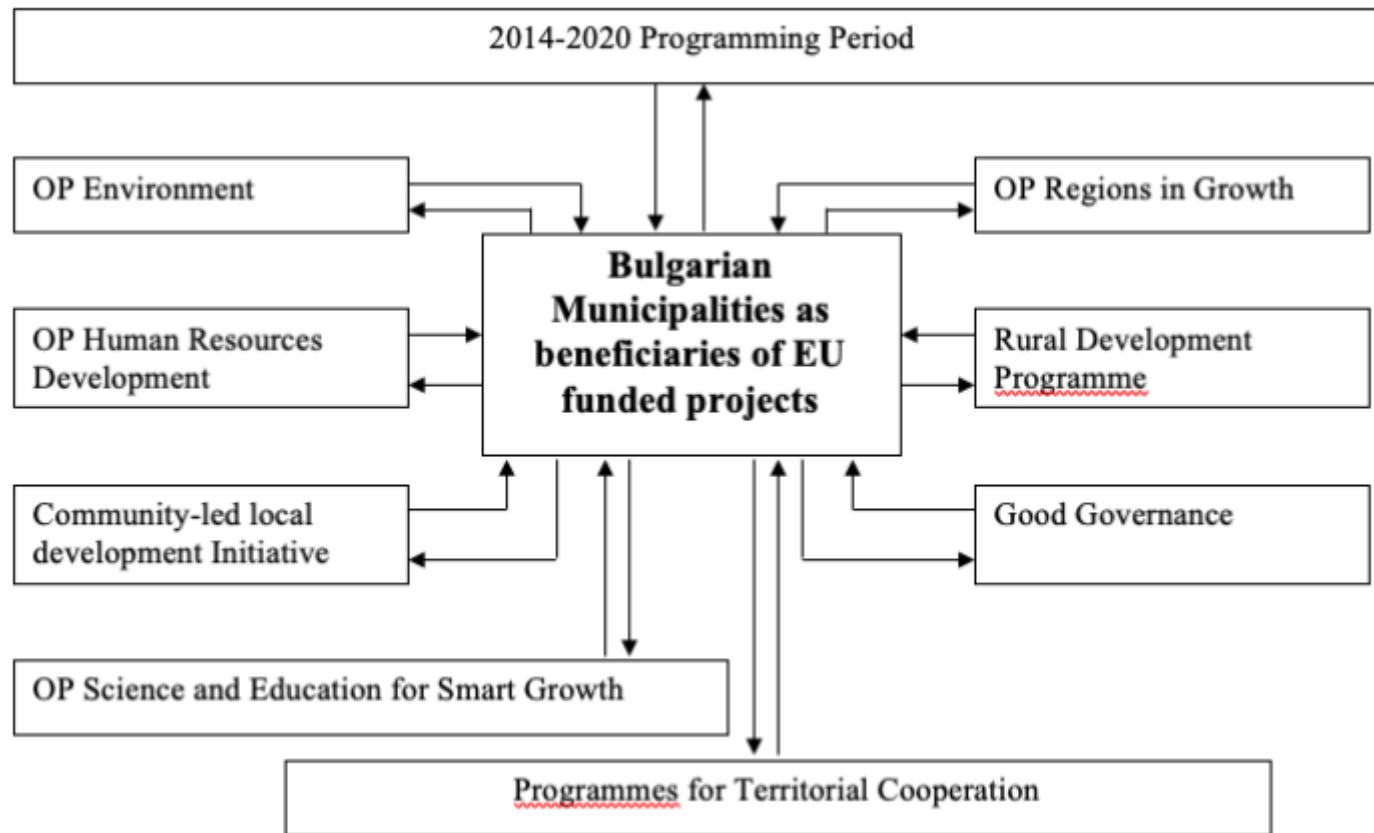


Fig. 2. The role of Bulgarian municipalities as beneficiaries, 2014-2020
 Source: Authors` figure

For the programming period 2014-2020 municipalities are not eligible under 2 programmes: OP Transport and Transport Infrastructure (again with the exclusion of the Sofia Municipality and project of Metropolitan), Innovation and Competitiveness (programme directly devoted to the business). In comparison with the previous programming period we have one new programme for Science and Education and one new initiative – Community-led local development. Namely due to the last initiative for Community-led local development we could understand the trends in EU level, which are connected to more and more decentralized measures closer to the real needs (of citizens, business, NGOs etc.) and corresponding to the local reality.

Bulgarian Municipalities – Short Overview Of State Of Play

According to information from the National Association of the municipalities in Republic of Bulgaria, the Bulgarian Municipalities during the previous programming period have implemented over 3100 projects funded by European Union. The total budget of these projects is approximately 4,5 billion euro [25]. Thus allows the Association to conclude, based on these data that Bulgarian municipalities have already built good administrative capacity and experience in implementation and management of EU funded projects. From all 265 municipalities in Bulgaria, 231 are defined as “rural” and therefore – eligible under Rural development programme.

Bulgaria is a relatively small country but on a local level there are general problems, common for all local authorities (such as how to attract in better way direct foreign investment on a district level; how to develop good social service programmes with limited budget etc.), but also there are very specific problems, connected with location (for instance the maintenance of road infrastructure in winter months for mountain municipalities), tourist destination, serious trends of depopulation or migration due to the better labour market etc.

In the following next paragraphs we will consider comprehensively several municipalities categorized in 3 major groups, based on the number of inhabitants: big municipalities, middle-sized municipalities and small municipalities.

Table 1. Indicators for the top 5 big cities in Bulgaria

Source: National Statistical Institute [26], Unified Management Information System (UMIS) [27] and own calculations

N	Name of municipality	Number of inhabitants	Number of EU funded projects (2007-2013)	Real payments (in Euro)	EU project funded investment per capita
1.	Sofia	1 291 591	37	324 214 055	251,01
2.	Varna	343 704	32	88 380 251	257,14
3.	Burgas	212 902	37	159 128 370	747, 42
4.	Plovdiv	338 153	23	34 146 128	100, 98
5.	Stara Zagora	160 108	21	82 819 352	517,27

Fig. 3, 4 and 5 present the implementation of EU funded projects by different types of municipalities, based on information for 2007-2013.

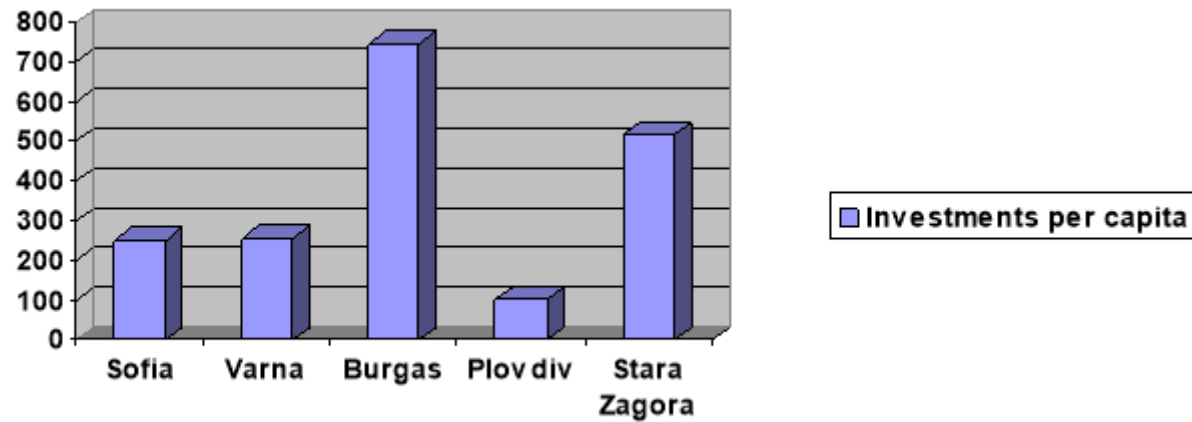


Fig. 3. Level of implementation of EU funded projects for the 5 big municipalities in Bulgaria (2007-2013)

Sources: Authors' figure based on the information from Unified Management Information System for the EU Structural Instruments in Bulgaria (UMIS) and Bulgarian National Statistic Institute

According to data from Unified Information System for the EU Structural Instruments in Bulgaria (UMIS) for the overall programming period 2007-2013 the biggest Bulgarian municipalities have succeeded to attract average 375 euro per capita investments from EU funded projects. Obviously from these municipalities Burgas is the leader with 747 euro per capita, followed by Stara Zagora (517 euro per capita), Varna (257 euro per capita) and Sofia Municipality with 251 euro. On the bottom is Plovdiv with only 100 euro per capita for the previous programming period. The curious fact here is this leading position of the local authority of Burgas, which has achieved the first place before Sofia municipality (despite the major project of Sofia Metropolitan for instance). The results of Stara Zagora also are interesting (second place with almost two times more than results of Sofia) that could be considered as very good and quality work of the experts from municipality of Stara Zagora. On the other hand, the last place for Plovdiv is surprising having in mind that this Bulgarian municipality has all prerequisites and ambitions to be in a better place in this ranking.

Interesting results are achieved by the middle sized municipalities, especially in comparison with the results of the big ones.

Table 2. Indicators for 5 middle sized cities in Bulgaria

Source: National Statistical Institute, Unified Management Information System (UMIS) and own calculations

N	Name of municipality	Number of inhabitants	Number of EU funded	Real payments (in Euro)	EU project funded

			projects (2007-2013)		investment per capita
1.	Blagoevgrad	77 441	25	22 014 529	284,27
2.	Vidin	63 257	28	41 996 959	663,91
3.	Vratsa	73 894	22	42 923 250	580,87
4.	Haskovo	94 156	19	26 452 212	280,94
5.	Yambol	71 132	25	39 745 797	558,76

The visualization of the investments coming from EU funded project per capita is presented on fig. 4.

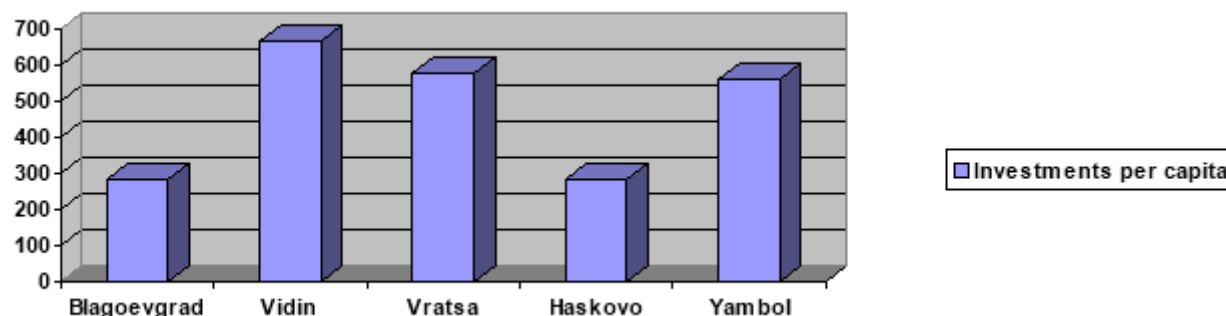


Fig. 4. Level of implementation of EU funded projects for 5 middle-sized municipalities in Bulgaria (2007-2013)

Sources: Authors` figure based on the information from Unified Management Information System for the EU Structural Instruments in Bulgaria (UMIS) and Bulgarian National Statistic Institute

Especially in comparison to the big urban agglomerations, the situation for the middle sized municipalities in average value is much better – 474 euro per capita (and 375 average value per capita for big municipalities) which fact is based on the ratio between attracted investments from EU funded projects and number of citizens (according to data of NSI from the last census) living in the municipality. Therefore the absolute leader within the middle sized municipality is Vidin (664 euro per capita), followed by Vratsa (580 euro per capita), Yambol (559 euro per capita), Blagoevgrad (284 euro per capita) and Haskovo (281 euro per capita). There are several interesting findings that deserve to be further commented. First two places are for municipalities from the Northwestern Planning Region of Bulgaria, which is the region with the lowest living standard in EU (according to Eurostat data). On the other hand – it is obviously that middle-sized municipalities have better average results from the big municipalities. All middle-sized municipalities presented on fig. 4 (chosen randomly based only on the

number of inhabitants) have better results than the major part of presented big municipalities (with two exclusions – the results of Burgas and Stara Zagora municipalities).

This picture becomes even more interesting when we explore the results from the small rural municipalities.

Table 3. Indicators for 5 small municipalities in Bulgaria

Source: National Statistical Institute, Unified Management Information System (UMIS) and own calculations

N	Name of municipality	Number of inhabitants	Number of EU funded projects (2007-2013)	Real payments (in Euro)	EU project funded investment per capita
1.	Kresna	5 441	5	641 730	118
2.	Bregovo	5 514	7	305 359	55
3.	Borovan	5 714	4	119 933	21
4.	Kocherinovo	5 214	4	489 759	94
5.	Gurkovo	5 127	4	749 411	146

In order to have some comparable data, we chose municipalities in rural area, similar in number of inhabitants (5000-6000) situated in the different planning regions of Bulgaria. Another criterion for our final decision was the requirement that all selected rural municipalities are not active tourist destination. The situation is presented on fig. 5.

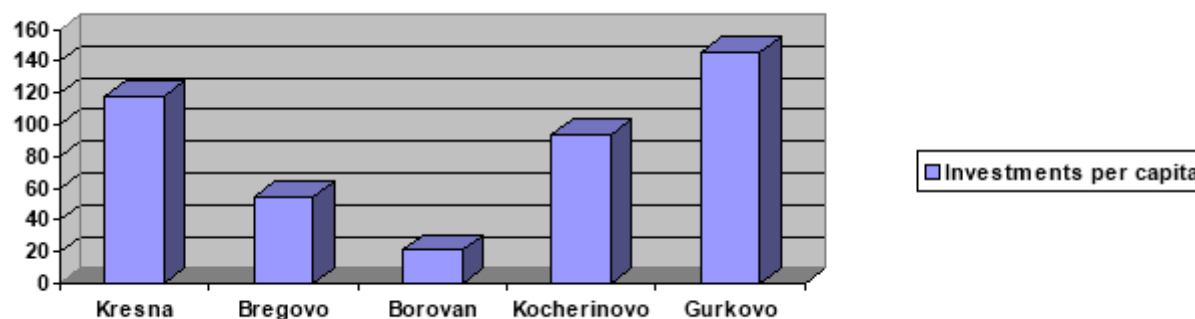


Fig. 5. Level of implementation of EU funded projects for 5 small municipalities in Bulgaria (2007-2013)

Sources: Authors' figure based on the information from Unified Management Information System for the EU Structural Instruments in Bulgaria (UMIS) and Bulgarian National Statistic Institute

Here the margin between the results of the first position (Gurkovo with 146 euro per capita) and the last one (Borovan with 21 euro per capita) is the most clearly visualized. The differences in level of implementation EU funded projects during previous programming period for the small municipalities could be find not directly in the external environment but in some internal organizational factors, including managerial decisions.

Methodology

One of the authors from the current research was also the author, leading analyst and coordinator from the similar survey conducted in 2013 among beneficiaries of EU funded projects. The network of 27 District information points promoted EU Cohesion policy in Bulgaria and supported by the Councils of ministers' Administration conducted this survey. Now we explore the results from a new survey (2019) and our aim is to establish the dynamic of the changes in the municipalities as beneficiaries of EU funded projects. The analysis of results is made in June 2019.

For the purpose of survey a questionnaire composed of 35 questions, dedicated to the different aspects of preparation and implementation EU funded project, was developed. This questionnaire was send via e-mail to all 265 Bulgarian municipalities with a request to be filed in.

The profile of our responders is the following:

- The majority of responders are woman (77,8%);
- All responders have higher education, one of them has PhD;

The age of responders is presented on fig. 6.

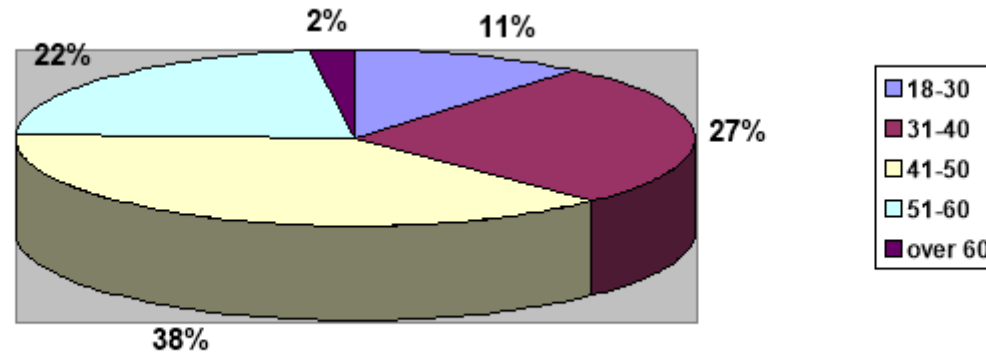


Fig. 6. Age structure of responders (representatives of municipalities)

Source: Authors` survey

This age structure in fact shows the very balanced presence of different age groups, which allows municipalities to provide good human resource development policy including succession, which is really important in any administrative, and even more important in project work.

Our responders have different administrative positions at the municipalities (fig. 7). Our major group of responders (51,9%) is consisted of members of project management teams; the second representatives group of responders is for the administrative directors in administration, implemented EU funded projects (28,8%). Project team managers have almost 27% share from our responders and other 23% with different (but relevant) expert position such as expert EU project or financial controller of the municipality etc.

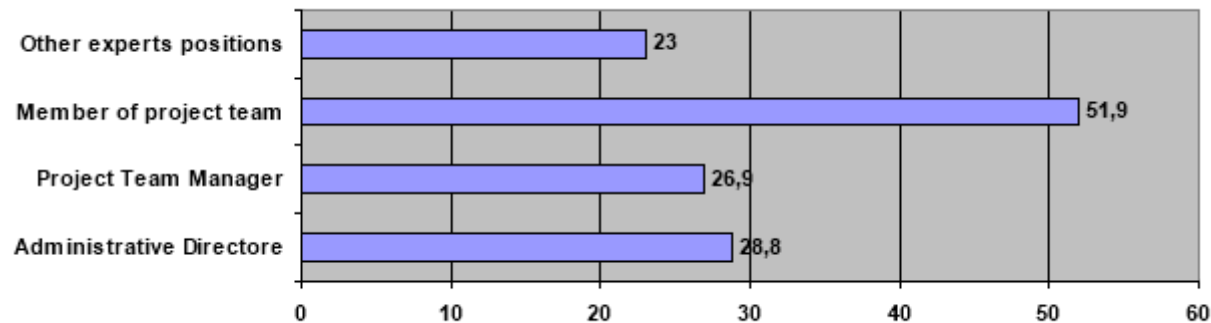


Fig. 7. Administrative position of responders (in %)

Source: Authors` survey

Analysis of results and findings from survey

Responders of our survey are representatives from different municipalities (in size, location, number of inhabitants etc.) and therefore – eligible for different EU-funded programmes, but as general rule we can summarize that the municipalities declare the largest number of projects under OP Human resource development programmed/ OP Science and Education for Smart Growth (86,7%), closely followed by the OP Regional Development/ OP Regions in Growth (80%) and OP Administrative capacity/OP Technical Assistance/ OP Good governance (75,6%). The relatively lower number of projects under OP Environment (55,6%) could be explained from one side by the requirements of eligibility (not all municipalities are eligible under measures of OP Environment) as well as the difficult preparation and implementation of infrastructure project (fig. 8). Projects under the Programmes for territorial cooperation have share of 60%.

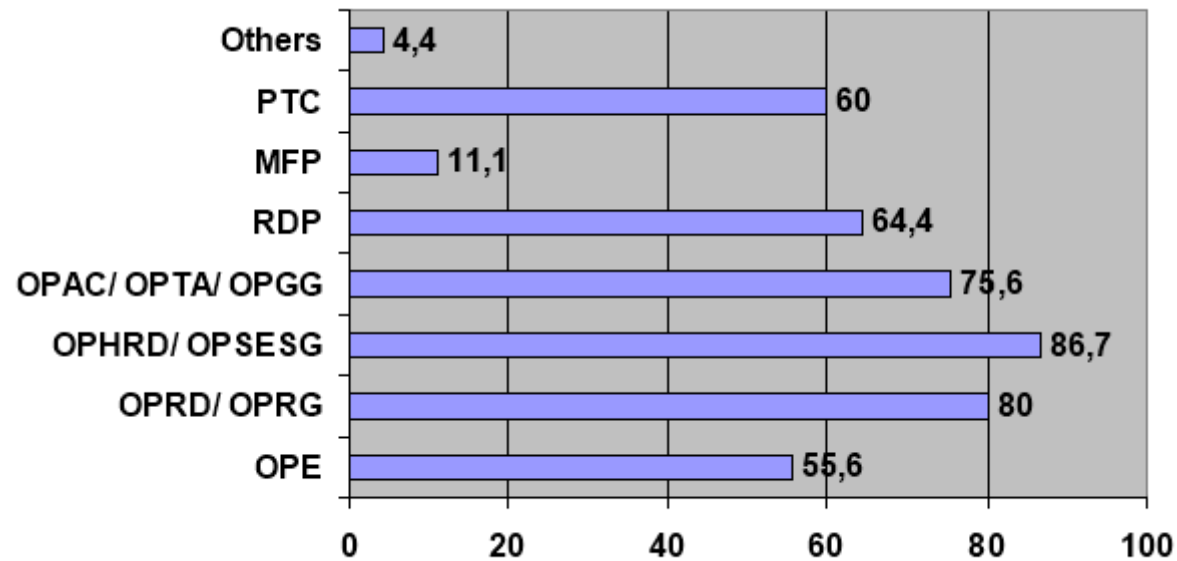


Fig. 8. Percentage of municipalities having projects under different EU programmes managed on the national level

Source: Authors' survey

Interesting situation reveals data for the distribution of projects under different programmes implemented by different types of municipalities. For instance the two major programmes for small municipalities are Human resource development (HRDP) and Rural development programme (83%). The leading position of

HRDP (86%) for the small municipalities could be explained by two important specifics – first one – the projects under HRDP are for so-called soft measures and therefore are easier to be prepared and implemented (for instance in comparison with the infrastructure projects) and the second one – their budget – small municipalities could afford such expenditures. On the other hand, the absolute leader with 92% is OP Regional Development 2007-2013/OP Regions in Growth 2014-2020 followed by the other programme for infrastructure projects – OP Environment (84%).

Table 4. Percentage of municipalities having projects under different EU programmes managed on the national level by type of municipality

Source: Authors' survey

Name of the programme	General data%	Middle sized municipalities %	Small municipalities %
OP Environment 2007-2013 and 2014-2020	56	84	48
OP Regional Development 2007-2013 OP Regions in Growth 2014-2020	80	92	74
OP Human Resource Development 2007-2013 and 2014-2020 OP Science and Education for smart growth 2014-2020	87	75	86
OP Administrative Capacity 2007-2013 OP Technical Assistance 2007-2013 OP Good Governance 2014-2020	76	67	65
Rural Development Programme 2007-2013 and 2014-2020	64	17	83
Programmes for territorial cooperation	60	50	39
Others	15	17	11

The Bulgarian municipalities claim that the most reliable source of information for the upcoming procedures and calls under different EU funded programmes is the European Structural and Investment funds Information Portal (www.eufunds.bg), managed by the Central Coordination Unit within the Administration of

Council of Ministers (almost 85% of responders admit that they usually use this communication channel), followed by the internet site of the managing authority of the programme (64,4%), the network of 27 District information points with 57,8% (again coordinated by the Central Coordination Unit within the Council of Monsters` Administration) and the National Association of the Municipalities in Republic of Bulgaria (55,6%). Interesting fact here is the relatively high percentage (28,9%) of representatives of municipalities who declare that they are informed by consultants for the upcoming calls. However, over 70% of responders state that it is easy to find information for actual open calls. This result shows progress from 2013 where only 57% from responders claim that it is easy to find information. On the other side, for the period of 6 years this progress (from 57% in 2013 to 70% in 2019), especially when we explore the attitude of representatives of municipalities (which have info networks, associations, different channels, including direct communication with Managing Authority) this progress could be considered as relatively poor and the Managing Authorities as Central Coordination Unit have to take more serious and targeted measures in order to increase this indicator among all types of beneficiaries (not only for municipalities).

Interesting findings reveals the question “Do you find the information provided on the procedure(s) you are familiar with, for comprehensive, specific, clear and sufficient in order to prepare successful project proposal?”. Only 22% from responders express absolutely positive answers. For the majority part (42,2%) the information is comprehensive, but not sufficiently clear (sometimes confusing). For other 33,3% the information is comprehensive, clear and sufficient to a great extend, but it is necessary to be further checked (fig. 9).

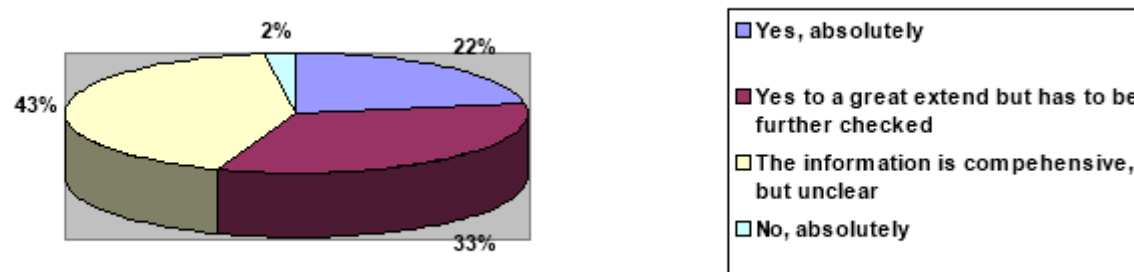


Fig. 9. The attitude towards information in the open calls

Source: Authors` survey

These answers in fact reflect and correspond to the level of experience and administrative capacity already built in Bulgarian municipalities in process of preparation and implementation of EU funded projects during previous and current programming period. Positive impression makes the fact that from all representatives of municipalities answering to the survey there is no one municipality with only one project funded by the EU (fig.10). The majority of

municipalities (69%) declares implementation of more than 11 projects, 24% of them have experience with 6 to 10 projects and only 7% from the representatives of municipalities – from 1 to 5 projects.

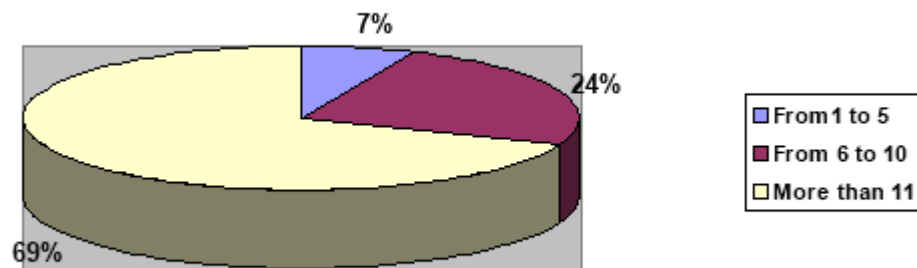


Fig. 10. Total number of EU funded projects implemented/ in implementation by the concrete municipality
Source: Authors` survey

The progress and the experience gained by the implementation of EU funded projects here is significant, especially in comparison with the previous survey. For the same question 33% of responders in 2013 declare the implementation of the very first project as a beneficiary. On the other hand the current situation in different types of municipalities is presented on table 5.

Table 5. Percentage of municipalities by the number of implemented or in implementation projects by type of municipality
Source: Authors` survey

Number of project already implemented or in implementation	General data %	Middle sized municipalities %	Small municipalities %
More than 11	69	83	63
From 6 to 10	24	9	28
From 1 to 5	7	8	9

As we can see from the data, the percentage of municipalities having projects from 1 to 5 is growing when it comes for the small municipalities. Therefore the focus of the Managing Authorities (for the eligible programmes) has to be directed to provide proper training and actual information for small municipalities.

The good finding is that the representatives of municipalities declare absolutely definitiveness of continue the preparation and implementation of EU funded projects. This explicitness is supplemented to the recognition for the role that these projects have for the development of the municipality. 93,3% from responders declare that EU funded projects are really important while only 6,7% declare that EU funded projects possess medium importance for the development of the concrete municipality. However, the opinions of representative of Bulgarian municipalities vary when it comes to define the concrete field in the local community life with the biggest contribution of EU-funded projects (fig. 11).

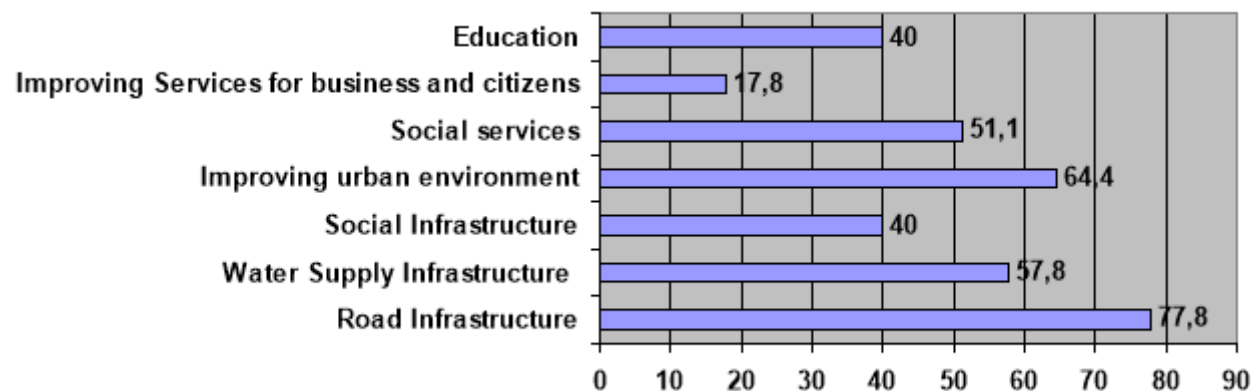


Fig. 11. The fields for the major contribution of EU funded projects for the representatives of municipalities (in %)

Source: Authors` survey

This figure outlines the different problems encountered by Bulgarian municipalities. For the major part of them (77,8%) the road infrastructure is the field where the contribution of EU funds has most significant impact (where serious financial resources are required). The second most important sphere is the improvement of urban environment – chosen by 64,4% of responders. In fact this measure under OP Regional Development (2007-2013)/ OP Regions in Growth (2011-2020) and the similar under Rural Development Programmes attracts the attention of the Bulgarian municipalities.

When we explore further this data and specify by the types of municipalities, we could see the differences including in the needs (table 6).

Table 6. The fields for the major contribution of EU funded projects for the representatives of municipalities by type of municipality

Source: Authors` survey

Field of biggest EU contribution for the municipality	General data %	Middle sized municipalities %	Small municipalities %

Road infrastructure	78	67	86
Water supply infrastructure	58	58	60
Social infrastructure	40	58	43
Improving urban environment	64	75	63
Social services	51	42	57
Improving services for business and citizens	18	16	23
Education	40	17	40

The major difference between medium-sized and small is reinstated for the education field and the role of the EU-funded projects. Obviously for the small municipalities the projects for education and social services are important in order to help municipality providing much more quality services while the focus of medium sized is for the infrastructure projects.

For the country like Bulgaria, with small national economy and relatively low living standard (especially in comparison to the other EU member states) the possibility of municipalities to develop urban area with EU funds is really good chance. On the other hand, the interest of municipalities on such measures are absolutely explicable and reasonable having in mind that the final beneficiaries from improved urban environment are all citizens and therefore such project are really visible from all inhabitants of the municipality. It could be concluded that the EU funded projects are important (and crucial) in different types of infrastructure (road, water, social, urban etc.) where the financial resource is significant and the municipality are unable to provide full investment. The so-called soft measures are also in the focus of the representatives of the municipalities with the projects for trainings and improving education and different services.

Conclusion

The empirical survey unambiguously defines the significant role of EU funded projects for the development of the Bulgarian municipalities. The survey was conducted among representatives of the municipalities in different hierarchical positions – administrative directors, project managers, experts etc. The major part of them admits the crucial importance and impact of the EU projects for the development of the local community and improving living standard.

The research proves the initial hypothesis for the unconditional need of implementation of projects, funded by the European funds for realization of multitude local policies in the field of road and water supply infrastructure, social infrastructure, urban development, social services, services for business and citizens, education. On the other side, the authors` thesis that in the small and medium-sized municipalities EU funds and projects are the more necessary due to the lack

of enough opportunities of these municipalities to develop and realize different policies is proven. Finally, the data of research demonstrates undeniably the increase capacity of the Bulgarian municipalities to implement different projects under divers programmes and initiatives financed by the European Union.

References

1. Anguelov, K., *Operational Program “Development of the Competitiveness of the Bulgarian Economy” 2007-2013 – challenges and results,*” KSI, January 2013, V. 1, pp. 5-9.
2. Anguelov, K., *Structural and Cohesion funds management – parallel between practice in Latvia and Bulgaria,* KSI, June 2013, V.2, pp.19-24.
3. Anguelov, K., *Management challenges in the implementation of EU Cohesion policy in the next Programming period (2013-2020),* KSI, September 2013, V. 3, pp. 24-30.
4. Anguelov, K., Angelova, M., and Ivanova, M., *Mathematical approach for ex-ante evaluation of projects funded by European funds in state university,* American Institute of Physics, AIP Conference Proceedings 2048, 060032 (2018); <https://doi.org/10.1063/1.5082147>.
<https://aip.scitation.org/doi/10.1063/1.5082147>.
5. Agovino, M., Casaccia, M., Crociata, A., Sacco, P.L., *European Regional Development Fund and pro-environmental behaviour. The case of Italian separate waste collection,* Socio-Economic Planning Sciences, *Volume 65, March 2019, Pages 36-50.*
6. Andreev, O., Anguelov, K., *Indicators for determining project capacity of the enterprise beneficiary under Operational Programme “Development of the competitiveness of the Bulgarian economy 2007-2013”,* KSI, December 2012, V. 4, pages 11-16.
7. Asteriou, D., Spanos, K., *The relationship between financial development and economic growth during the recent crisis: Evidence from the EU,* *Finance Research Letters, Volume 28, March 2019, Pages 238-245.*
8. Carfora, A., Romano, A.A., Ronghi, M., Scandurra, G., *Renewable generation across Italian regions: Spillover effects and effectiveness of European Regional Fund,* *Energy Policy, Volume 102, March 2017, Pages 132-141.*
9. Cerciello, M., Agovino, M, Garofalo, A., *The caring hand that cripples? The effects of the European regional policy on local labour market participation in Southern Italy,* Socio-Economic Planning Sciences, *Available online 8 April 2019, In Press, Corrected Proof.*
10. Chankov, G., 2012. *“The Environmental Impact on the Development of the EU,”* Nauchni trudove, University of National and World Economy, Sofia, Bulgaria, issue 1, pages 229-262, January.
11. Dicharry, B., Nguyen-Van, P., Pham, T.K.C., *“The winner takes it all” or a story of the optimal allocation of the European Cohesion Fund.* European Journal of Political Economy. Available online 23 May 2019.
12. Dobrovolskienė, N., Tamošiūnienė, R. *Sustainability-oriented financial resource allocation in a project portfolio through multi-criteria decision-making // Sustainability.* Basel: MDPI AG. ISSN 2071-1050. 2016, Vol. 8, iss. 5, p. 1-18. DOI: 10.3390/su8050485.

13. Dobrovolskienė, N.; Tvaronavičienė, M.; Tamošiūnienė, R. *Tackling projects on sustainability: a Lithuanian case study*, Entrepreneurship and sustainability issues. Vilnius: Entrepreneurship and Sustainability Center. ISSN 2345-0282. 2017, Vol. 4, iss. 4, p. 477-488. DOI: 10.9770/jesi.2017.4.4(6).
14. Georgiev, G., *The Institutional Development of the EU*, KSI, December 2010, V. 4 pp. 38-46.
15. Kelemenis, A., Galiatsatou, P., *A methodological approach to identify policy priorities of municipalities in Greece*, 5th International Conference on Energy and Environment Research, ICEER 2018, Energy Procedia 153 (2018) 376–382.
16. Kiryluk-Dryjska, E., Beba, P., Region-specific budgeting of rural development funds—An application study, *Land Use Policy, Volume 77, September 2018, Pages 126-134*.
17. Murauskiene, L., Karanikolos, M., *The role of the European Structural and Investment Funds in Financing Health System in Lithuania: Experience from 2007 to 2013 funding period and implications for the future*. Health Policy 121 (2017) 727 – 730.
18. Panfiluk, E., Analysis of the Effectiveness the European Regional Development Fund Disbursement for the Selected Tourism Services with the use of the Counterfactual Method, *Procedia Engineering, Volume 182, 2017, Pages 540-547*.
19. Pelucha, M., Kveton, V., Potluka, O., Using mixed method approach in measuring effects of training in firms: Case study of the European Social Fund support, *Evaluation and Program Planning, Volume 73, April 2019, Pages 146-155*.
20. Rokicki, B., Stepniak, M., Major transport infrastructure investment and regional economic development – An accessibility-based approach, *Journal of Transport Geography, Volume 72, October 2018, Pages 36-49*.
21. Smit, M., van Leeuwen, E.S., Florax, R. J.G.M., de Groot, H.L.F., *Rural development funding and agricultural labour productivity: A spatial analysis of the European Union at the NUTS2 level*, Ecological Indicators, Volume 59, December 2015, Pages 6-18.
22. Tamošiūnienė, R., Šidlauskas, S., Trumpaitė, I. 2007. EU structural support and its impact on Lithuania's progress // *Journal of business economics and management*. ISSN 1611-1699. Vol. 8, no. 3 (2007). p. 177-187.
23. Zasada, I., Weltin, M., Reutter, R., Verburg, P.H., Piorr, A., *EU's rural development policy at the regional level—Are expenditures for natural capital linked with territorial needs?*, *Land Use Policy, Volume 77, September 2018, Pages 344-353*.
24. Uthes, S., Li, F., Kelly, E., Does EU rural expenditure correspond to regional development needs?, *Land Use Policy, Volume 60, January 2017, Pages 267-280*.
25. *National Association of the municipalities in Republic of Bulgaria, Strategic Plan for development 2014-2020*.
26. National Statistical Institute <http://www.nsi.bg/>
27. Unified Management Information System for the EU Structural Instruments in Bulgaria <http://umispublic.government.bg/>