## SUMMARY PROJECT FICHE

### 1 Basic Information

1.1 Désirée Number: **BG 0102.05**
1.2 Title **Labour Market Initiatives**
1.3 Sector **ESC**
1.4 Location Targeted regions within Bulgaria.

### 2 Objectives

#### 2.1 Overall Objectives:

Reducing the level of unemployment and increase employment principally in the disadvantaged groups.

#### 2.2 Project Purpose:

To increase the level of entrepreneurship, employability and adaptability of the labour force and particularly in the disadvantaged groups.

### 2.3 Accession Partnership and NPAA priority

#### 2.3.1 Accession Partnership

The project will support the objectives identified in the Social Cohesion chapter of the AP “Development of a national policy for economic and social cohesion”. It also forms part of the actions under the same priority, specifically, “gain experience in project cycle management for Objective 1 type programmes at regional and local levels”.

#### 2.3.2 NPAA

The project contributes to priorities and targets of the Employment and Social Affairs chapter of the NPAA. Specifically, by supporting the measures which the NPAA identifies, namely:

- “stimulating the creation of new jobs”
- “stimulating the start-up of self employed business activities”
- “vocational training for disadvantaged groups”

By developing of vocational education and training the project also supports the priorities and targets of the chapter on Education and Science, in particular:

- “Guaranteeing the quality of training in order to create the possibility to compare the secondary, general and professional education with that in the EU Member States as prerequisite to achieve a free movement of persons and services within the internal market”.
- “Development of a mobile and adaptive national system of professional education and vocational training which should take into account the social and economic requirements and the needs of the market, while guaranteeing the access of all citizens and establishing an active social partnership”
2.4 Contribution to the National Development Plan (NDP)

The project has been developed in response to the NDP, Chapter 4, ‘Improving the quality of life and adapting human resources to market requirements’ and in particular the following objectives: “Provision of improved quality of the work force qualification and provision of an income corresponding to a constantly improving standard of living” and “the establishment of a well functioning labour market, securing a higher level of employment of the labour force and a parallel reduction in unemployment”.

3. Description

3.1 Background and Justification

The measures envisaged under the project correspond to the problems identified and the measures/actions anticipated in the Human Resources Development Strategy (HRDS), which will be a part of the NDP. These comprise “Investing in the infrastructure of professional training, Development and implementation of programs for unemployed below 29 of age, Stimulation of employers to employ long-term unemployed, Program from Social Care to Employment, Stimulation of the start-up of economic activity independently, etc.”. The development of a National Employment Plan (NEP) is based on the HRDS.

The restructuring of the Bulgarian economy has resulted in the decline of older traditional industries with resulting high unemployment and an over supply of trained labour in key areas. The new emerging economy as it diversifies requires new work skills in order to compete in open market conditions.

Nationally, unemployment remains unacceptably high (18% Aug 2000\(^1\)). The labour market shows 36 unemployed for every job vacancy. The unemployment position for those under 29 stood at 31.4%\(^2\) of the registered unemployed. Long-term unemployment (1+ year) represents approximately 1/3 of the total unemployed population.

The characteristics of the young unemployed reveal that 66%\(^3\) had no vocational qualifications, whilst only 15% had specialist qualifications.

The regions selected for the different measures will be agreed by the MLSP and MES following the completion of labour market surveys due to be conducted during 2001 as part of the Phare 2000 programme and through the PPF.

The measures contained in this project provide a range of measures designed to start or extend action required to transform the Bulgarian economy by providing a well qualified workforce based upon labour market requirements. These measures accord with the European employment and social policy and in particular address the issues of employability, entrepreneurship and adaptability.

The development of Vocational Training is of critical importance in helping the unemployed back into employment and thus is a major element in any regional development strategy. The vocational training measures therefore are seen to have major significance in the alleviation of labour market problems in the target regions. For this to be achieved there is a need to improve the quality and quantity of training provided. As part of this approach there is need within the program to address problems in existing Vocational secondary schools (infrastructure, equipping and the training of staff) by upgrading them to Vocational Training Centres (VTC) and extending the range of training available to the unemployed particularly those in the identified disadvantaged groups. Education and training should be designed to

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1 Appendix 1 Strategy for Human Development – November 2000
2 ibid.
3 National Labour Office – November 2000
reflect change and opportunities during a lifetime. In this context it is important that the range of training provided reflects changes in employment patterns and allow individuals the opportunity to develop their entrepreneurial skills and provide the support necessary during the crucial formative period. The measures described in this program underpin these needs.

Within the programme great emphasis is being placed on developing the role of social partners in development and execution of the project. Social partners will be involved in discussion and making recommendations to the MLSP following the completion of the draft documentation. A draft Agreement for co-ordinating the activities of social partners and the relevant ministries relating to project preparation is currently under discussion.

3.2 Linked Activities

The following activities financed by the EU Phare Programme have been implemented:

BG 93.12 “Labour Market and Social Policy” this programme related to the social consequences of economic restructuring and involved the development of regional strategies and the design and implementation of community and tripartite programme and structures for occupational safety and health, job creation, community development and social care.

BG95.06-01.01 “Upgrading of Vocational and Educational Training (VET)” This programme resulted in the adoption of a new VET law, the creation of the National Agency for VET together with the introduction of new curricula.

The following activities are due to be implemented under the Phare 2000 program

“Investment in Labour Market Development and Vocational Training” is designed to assist the workforce, mostly the disadvantaged groups, to adjust to the new economic conditions through vocational training and retraining activities in the south-central and north-west regions.

“Investment in Vocational Training Infrastructure” project, will result in the upgrading of VETs in the South Central and North Western Regions, retraining of staff and the development of new training curricula.

The following activities financed under IFI’s have been implemented:

“Regional Initiatives Fund” financed by a loan from the World Bank and grant by USAID aimed at alleviating the social consequences of economic restructuring.

“Sustainable Promotion of SMEs through the creation of Business Support Centre in Razlog Region (1995)” UNDP financed, “Business Promotion and Support Programme (1997)” UNDP financed, “Economic empowerment of Women in Devin Region (97) UNDP financed “Job Opportunities Through Business Support (1999)”(Bulgarian Government Finances and UNDP Managed) have all been successfully completed.

Bilateral VET projects (Austrian, German and Danish) have contributed to the upgrading and equipping of additional training centres in two regions.
3.3 Results

The results can be grouped into the three main axes of this scheme – employability, adaptability and entrepreneurship

A) Employability

• Five Vocational secondary schools and boarding houses upgraded to Vocational Training Centres through refurbishment and re-equipping.

• Integration of IT into the standard teaching practice.

• Professional Development for 100 training, management and technical staff.

• Increased training capacity will enable an extra 500 trainees from target groups.

B) Adaptability

• Provision of 450 – 480 vocational training programmes and the training of 7000 individuals.

• Provision of Apprenticeships creating 1000 months work at least 500 months of paid employment.

• Provision of 200 retraining places for employers accepting apprentices.

• Establishment of a pilot social support training centre designed to train health professionals and teachers with training designed to encourage self-employment and entrepreneurship.

C) Entrepreneurship

• Provision of entrepreneurial training and consultancy support to 450 long term unemployed in the target areas.

• Provision of entrepreneurial training and consultancy support to 300 entrepreneurs intending to expand their businesses and create new jobs.

3.4 Activities

3.4.1 Measure designed to stimulate employability:

Development of Vocational Secondary Schools into Vocational Training Centres designed to meet the needs of disadvantaged groups.

In order to fulfil their role it is essential that VTC are properly equipped to meet the training requirements of the local labour market and that teaching practices are improved by introducing flexible delivery programs that involve local employers.

This measure will focus on five existing Vocational Secondary Schools in target areas identified upon the results of the labour market surveys. The MES has developed a priority action list for VET secondary schools requiring upgrading to VTC. The final decision on which of these establishments are to be targeted will be taken in conjunction with the MLSP.

Target Groups, Selection Criteria and Process

The target groups will include children at risk [over 16 years] (drop outs and those with poor attendance records), long term unemployed, ethnic minorities and the disabled. In addition full time students (initial vocational training) will have access to the centres.

The selection criteria will be based on the experience gained from Phare BG 95.06-01-01 ‘Upgrading of the Vocational Education and Training’. This criteria may be adjusted as a result of the labour market studies to be undertaken under Phare 2000 and BG99.19 PPF.
Components

This measure comprises three components designed to improve facilities, including the introduction of IT, train and develop the skills of the teaching staff and to strengthen the links between other local stakeholders. The improvements are designed to develop the targeted Vocational secondary schools into district VTC.

Component 1 Upgrading and Refurbishment of VET Secondary School into VTC

Survey work carried out at each of the existing schools will identify what action is required to renovate the structures to a standard consistent with the provision of good teaching environment in a vocational training centre. This work will also include, where necessary, improvements to associated residential accommodation in order to encourage residential students from a wider geographical area. This is consistent with the objective of becoming District centres.

In order to ensure that the VTC are able to meet the needs of local industry and business it is essential that old and obsolete technical equipment is replaced. In order to ensure the appropriateness of equipment consultation will take place with the local business community prior to acquisition.

A second element in the equipping process will be linked with the introduction of Information Technology into the centres. IT has been identified in the NEDP and in the National Program for Information Society as a priority, and will, as it is implemented considerably advance competitiveness within Bulgaria and trainees receiving this training are likely to seek after in the job market.

Component 2 Training and Development of Staff

This component comprises three elements: a) the professional development of teaching/training staff in their technical areas of competence, b) management training for key staff, c) the training of staff in use of IT within the teaching environment and d) the training of two staff members at each of the centres in the maintenance and development of the IT network.

Professional Development of Staff

Existing staff at the selected VTC will receive training designed to improve their technical skills. Training needs will be determined by the requirements of the new equipment and technology. This training will influence the design and development of curricula, training materials and flexible approaches to training.

Management Training for Key Staff

Effective management of resources including human resources is essential if centres are to respond to the challenges of introducing new work systems, training programs and deal with an increased throughput of trainees. In order to successfully manage change key staff will need to receive management skills training. The type and nature of the training may vary from centre to centre and therefore training needs analysis will need to be undertaken prior to delivery.

Training of Staff in the use of IT as an aid to teaching practice

In order to ensure that staff of VTC are competent in the use of IT, training will need to be provided using a cascade system. The training will be designed to enable teachers to integrate IT into normal teaching practice. A range of specific activities is envisaged including the use of the ‘internet’ and multi-media as research tools, the use of information and information systems to facilitate learning and the accumulation of knowledge and using IT within a business environment.
Training of Staff in the maintenance of IT and the IT network

Once IT and IT networks have been introduced into the VTCs it is essential that they are maintained, and progressively developed as technology advances. In order to ensure that the systems operate effectively and technical problems (security and system integrity) do not adversely effect the education and training provided it is essential to have competent individuals at each centre to deal with such problems. In order to ensure that continuity it will be necessary to train at least two individuals at each centre to deal with these issues. The rate of change in IT will also require that these specialists undergo regular retraining.

Component 3  Strengthening the Operational Linkages

Links with Employers and their organisations

In order to achieve the correct balance between academic learning and training it is proposed to strengthen their links with local employers by encouraging the concept of ‘on the job’ training where individuals undertake activities in the workplace. The process will be introduced through a series of seminars organised geographically and sectorally together with employers organisations. It is anticipated that as a result of this initiative Centre/Business networks will be established reflecting the labour requirements of the area. Employers wishing to become involved further, will develop internal training programs, in conjunction with the staff of the VTC designed to supplement the activities undertaken within the centre. Once training programmes have been agreed the employer will enter into a co-operation agreement and be ‘accredited’ to receive trainees. The employer will identify appropriate staff to receive training in the necessary methodologies at the VTC. This training will ensure that ‘in company’ training is conducted effectively and safely.

Links with School Drop Out Centres and Regional Education Inspectorates

Links will be established with ‘drop out’ centres within the area of the VTC with the objective of encouraging ‘at risk’ individuals into vocational training as a step in developing the necessary qualifications for entering into the labour market. Joint seminars by staff in the centres’ designed to motivate individuals into training programmes as a step towards the labour market will be held.

In addition links will also be developed with the Regional Education Inspectorates (this is particularly important in areas where there is no drop out centre). By undertaking joint seminars targeted at individual who have, or are at risk of dropping out it is hoped that they will be encouraged into appropriate training programmes.

Links with Labour Offices

Links with local Labour Offices are essential if changes in labour market needs are to be integrated into vocational training programmes. Seminars will be held designed to improve communications and information flow between both bodies. Information about labour market trends is essential to both services whilst information related to the needs of individual trainees is crucial at a personal level.

The combined effects of this measure will be to create VET that is relevant to the needs of local industry and commerce and assist in the process of economic regeneration by creating a well-qualified workforce. The partnership approach, essential to ensure that training continues to reflect labour market needs will be progressively developed.
3.4.2 Measures designed to stimulate workforce adaptability

3.4.2.1 Grants to support vocational and educational training programs and work experience

Vocational training and work experience are key elements in the process of transforming the economy (and in reducing the level of unemployment) by creating a workforce that is adaptable to the changing requirements.

Component 1 Grants to support vocational and educational training programs

Target Groups

This component will specifically target unemployed in disadvantaged groups including youth, women, disabled and ethnic minorities and, the long term unemployed (over one year). As considerable funds have been made available for vocational training in the North West and South Central regions under the Phare 2000 programme it is anticipated that the majority of the funds available for this measure will be targeted at the remaining regions.

Selection Criteria and Process

Criteria and guidelines for selection of training programmes will be developed under the PPF 99.19 in conjunction with the MLSP, the National Employment Service and MES. This will be based upon the results of labour market surveys and take into account identified national priority areas such as new technologies. The MLSP will also provide targets to each area for the number of training programmes and trainees. The Regional Co-ordinator will co-ordinate calls for proposals locally. Proposals will be considered by the Regional Committee of Assessors before submission to the PIU. Training providers will be vocational schools, VT centres or other vocational training institutions licensed or accredited according to the existing legal framework. Subsequent action to contract trainers and trainees will be undertaken by the Labour office.

Employers in the private or public service sector within the targeted areas may initiate action to access vocational training although they must contribute at least 10% to the cost of the provision of training.

Component 2 Grants for provision of apprenticeships programs for the unemployed.

This measure is designed to provide the unemployed an opportunity to gain this experience by offering an apprenticeship with a company for an agreed period; between six and twelve months. Although not exclusively focused on the young unemployed it is anticipated that the majority of apprenticeships will be offered to those under 29 years of age.

The target groups for this initiative are individuals who have dropped out of the education and have no qualifications, people who have graduated from high school and the unemployed who are over the age of 16 and have been unemployed for at least three months.

A call for proposals will be issued to organisations in target areas selected upon the results of the labour market surveys. Proposals will be considered by the Regional Committee of Assessors before submission to the PIU. The beneficiaries will be required to market the program, broker the placement of apprenticeships with employers and monitor the individual placements to ensure contract compliance.
The beneficiaries will work closely with the Regional Co-ordinator and the local Labour Offices that will be responsible for the identification of individual participants.

For participating employers there will be a requirement to guarantee paid employment for a period of at least six months following the apprenticeship. In order to encourage employers to participate in this program it is also proposed to offer them the opportunity to access retraining program for a member of their staff on a one to one basis. This approach will be consistent with the objectives of the job rotation program.

As a result of this measure it is anticipated that one thousand apprenticeship months will be provided together with 200 retraining programs.

### 3.4.2.2 Social Support Measure – Establishment of a Pilot Social Support Center

The restructuring of the education and healthcare sectors is resulting in significant levels of unemployment amongst teachers and nurses (approximately 80% of them are women). The social support programme is designed to retrain individuals affected by change in areas of social care, encourage the development of entrepreneurial skills in order to establish small private sector companies or self-employment. As the objective is to retrain existing professional staff to develop existing and new skills in the private sector environment this measure seeks to facilitate their adaptability in the labour market.

Retraining will be undertaken in a pilot centre to improve both technical skills and knowledge of health and social care problems. In order to achieve technical competence it is essential that the trainees are able to gain practical experience in a controlled environment, for example in safe handling practice conformity EU Health and Safety directives. In order to achieve this the centre must be accessible to the target social care groups.

Additional training will be provided in encouraging the entrepreneurial spirit of the target group. The trainees will receive information about the legislative framework affecting social care, basic accountancy and taxation issues in order to assist them in developing their own business plans and initiate projects for external funding.

The centre will play the role of intermediary between those who need social care and medical services and those who can provide those services. In addition to creating employment opportunities the programme will also directly contribute toward improvements in social care.

This implementation of the measure will be based upon the results of a feasibility study which will be made under the BG99.19 PPF. Following the identification of the location for the centre the suitable accommodation will need to be refurbished to disability standards. Technical training will need to be provided by staff with health or social care experience. Training of trainers in the latest approaches to community based care will be required.

The specific target groups for training will include unemployed professional healthcare workers including nurses, laboratory workers and teachers made redundant as a result of the changing demographic profile. Professionals from medical and pedagogical colleges who are unable to find employment could also be included in the measure.
3.4.3 Measures designed to stimulate entrepreneurship

There are two measures (consistent with HRDS measures 11.1 and 12.3) designed to encourage the promotion of entrepreneurship: “Developing your own business” and “expanding your business”. In concept, both measures are similar although they are targeted at different groups. The measures will be implemented on a regional basis. The regions will be identified following the completion of labour market surveys during the course of 2001.

Both measures are designed to provide a considerable support to aspiring entrepreneurs in order to minimise the level of failure that are traditionally high during the first two years. Selection criteria for individual participants will be developed by the PIU and implemented by the Regional Co-ordinator in Association with the labour offices and working in conjunction with successful beneficiary.

It is proposed to launch a call for proposals from organisations providing business support services for the provision of services in both measures. Regional co-ordinators will manage calls for proposals locally. Proposals will be considered by the Regional Committee of assessors before submission to the PIU.

The components of the measure are:

- Marketing the programmes in order to raise awareness among the unemployed and newly established entrepreneurs.
- Provision of market surveys to assist trainees in structuring their business or service
- Development and delivery of Training Programmes designed to introduce and develop entrepreneurial skills.
- Provision of consultancy services to assist the participants finalise their business plan and on-going support through the start up or development period.
- Provision of promotional services for the new business start-ups or company expansion.

Specific features of the programme are:

‘Developing Your Own Business’

- This will be targeted at the long term unemployed with a minimum age of 18. It is anticipated that applicants will have relevant vocational qualifications.
- Applicants for the programme will be selected according to agreed criteria. This will include interviews by business consultants in order to establish suitability for the entrepreneurship programme. (Applicants failing to gain acceptance onto the programme will receive career counselling)
- Entrepreneurship Training will be aimed at enabling the trainees to produce a draft business plan.
- Draft business plan will be reviewed by a consultant will the trainee to finalise the document and then assist them in launching the enterprise.
- Continuing support to be made available to the enterprise for the first twelve months.

‘Expanding Your Business’

- This measure will be targeted at entrepreneurs who have been in business for at least twelve months and are seeking to expand and develop it by creating new jobs.
- Applicants for the programme will be selected according to agreed criteria. This will include interviews by business consultants in order to assess the individual’s capacity to expand their business. (Applicants failing to gain acceptance onto the programme will be provide with professional advice on further developing their business).
• Advanced Entrepreneurship Training will include people management skills, contracting and negotiating skills, labour law training and marketing.
• Trainees will be required to produce a business development plan that reviewed by a consultant and finalise in conjunction with the training.
• Professional advice and support during the expansion programme.
• Regular reviews of progress against identified objectives and contract requirements will be undertaken by the consultant. Failure to comply with the contract requirements will result in the entrepreneurs suspension from the programme.

4. Institutional Framework

The Ministry of Regional Development and Public Works (MRDPW) is the Implementing Agency for the PHARE programme economic and social cohesion projects in Bulgaria

The MRDPW will implement the project through its Directorate General Regional Development and Administrative Development Organisation (RDATO) and the PAO will be responsible for sound administrative and financial management of the project, including tendering, contracting, administration, accounting, payment and reporting procedures and monitoring of the project implementation.

The technical implementation of the project is the responsibility of the Ministry of Labour and Social Policy (MLSP) which is a beneficiary under the project. In order to implement the project the MLSP will establish a Project Steering Committee (PSC) and a Project Implementation Unit (PIU).

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E-mail: dmatev@mlsp.government.bg

The Project Steering Committee

The PSC will provide strategic direction and guidance to the PIU. It will also provide technical advice and guidance to the PIU on issues referred to it by the PIU. It will be responsible for approving the calls for proposals, final selection of institutions carrying out work and services, approving and monitoring expenditure. In order to facilitate the implementation of sub-projects and measures it will establish a Project Evaluation Committee and approve the membership of the Regional Committees of Assessors.

The PSC will be chaired by a senior representative of the MLSP. The membership of the PSC will include representatives of stakeholder organisations as well as state organisations. The proposed membership is:

<table>
<thead>
<tr>
<th>MRDPW</th>
<th>MLSP</th>
<th>MES</th>
<th>SMEs Agency</th>
<th>Bulgarian Chamber of Commerce</th>
<th>Bulgarian Industrial Association</th>
<th>‘KNSB’ trade union</th>
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</table>
The Project Implementation Unit

The PIU will be responsible for the day-to-day technical implementation of the project. The PIU will comprise staff from the MLSP seconded by experts of the MES. Other specialists, including external advisers will be included in the PIU structure as required. The PSC will ratify the appointment of regional co-ordinators, who will be staff of PIU but located at labour offices in order to work closely with the stakeholders at that level.

The PIU will be responsible for the technical evaluation of all incoming proposals (following a call for proposals) submitted to it from Regional Committees of assessors and will submit the recommendations to the Project Evaluation Committee.

Project Evaluation Committee

The Project Evaluation Committee will undertake the technical evaluation for all bids. Its membership will comprise individuals with appropriate knowledge and experience. Representatives of social partners as well as project consultants will be included.

Regional Involvement in the Project and Project Publicity

Regional co-ordinators, selected by the PIU and appointed by the MLSP, will operate from labour offices in relevant district towns. The Regional Co-ordinators will need to build up effective linkages with a wider range of local individuals and organisations (Appendix 4). Individuals appointed to these positions will need to have a wide range of management skills and experience in dealing with state institutions, private sector and other social partners.

A major role of the regional co-ordinator with the help of the Labour Offices will be the development of an effective marketing programme for the project and the various sub-components. It will be particularly important to attract qualified proposals from suitably experienced institutions or firms to carry out the project components.

The success of this overall process, however, will be influenced by the extent to which local actors have ownership of the measures and in this context the role of the Regional Co-ordinators is crucial to the project’s success.)

The Regional Committees of Assessors will undertake the initial administrative compliance and eligibility assessments. They will also rank them in order of preference (this will be one of the criteria by which the Project Evaluation Committee will make a final decision). Members of Regional Committees of assessors will be appointed by the Regional Employment Councils (which membership include representatives of social partners) and approved by the PSC.

The works to be undertaken, the equipment to be procured, and the services to be provided under this project will be contracted according to the Phare Practical Guide procedures. The contracts will be signed and awarded by the PAO in the MRDPW who will act upon requests received form the MLSP. A manual of Operational guidelines will be worked out under BG99.19 PPF.

Memoranda of Understanding

The arrangements for implementing this project will be the subject of Memoranda of Understanding between the MRDPW and MLSP and the MLSP and MES.

It is anticipated that these arrangements will ensure the effectiveness of the project management process and maximise the level of resources available for the specified activities.
### Technical Assistance

The overall complexity of the project and the development of regional activities to support the PIU means that it would benefit the provision of international technical assistance. The work would require the services of around 24 staff-months of EU experts to provide support for the implementation of all measures of the project. Funding has been identified for this in the budget (below).

#### 5. Detailed Budget

<table>
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<th>Measure</th>
<th>Phare Support</th>
<th>National Co-financing</th>
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</tr>
</tbody>
</table>

1. Should the total cost of the equipment exceed the estimate shown in the table above, the beneficiary institution will provide the necessary additional co-financing.
6 Implementation Arrangements

6.1 Implementing Agency

The Implementing Agency (IA) is the Ministry of Regional Development and Public Works. The Programme Authorising Officer (PAO) (within the MRDPW) will be nominated by the Council of Ministers for the Republic of Bulgaria.

The Implementing Agency (IA) is the Ministry of Regional Development and Public Works:

MoRDPW
PAO Mr. Vassil Garnizov, Deputy Minister
Cyril and Metodius St 17-19
1202 Sofia
Phone: +359 2 940 59 and Fax: +359 2 987 40 77

6.2 Twinning: Not Applicable

6.3 Non-standard aspects: DIS Manual procedures will be followed in all contracting.

6.4 Contracts

Vocational and educational training and apprenticeships may be expected to be carried out under about 30-40 grants to either VET Centres or other training institutions / firms. The reason that this is not entirely concentrated in the VET Centres is that they will need some time to become fully operational and effective.

The entrepreneurship component could lead to approximately 25 sub-grants.

The table below summarises the possible breakdown of contracts under the project. The volumes involved can be gathered under point 5, Budget.

<table>
<thead>
<tr>
<th>Type of contracting procedure</th>
<th>#</th>
<th>Project component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Works</td>
<td>1.1</td>
<td>Refurbishment of VT centres</td>
</tr>
<tr>
<td></td>
<td>3.1</td>
<td>Refurbishment of social support centre</td>
</tr>
<tr>
<td>Supplies</td>
<td>1.2</td>
<td>Equipment for VT centres</td>
</tr>
<tr>
<td></td>
<td>1.3</td>
<td>Introduction of IT</td>
</tr>
<tr>
<td></td>
<td>3.2</td>
<td>Equipment for social support centre</td>
</tr>
<tr>
<td>Services</td>
<td>1.4</td>
<td>Training and development staff</td>
</tr>
<tr>
<td></td>
<td>1.5</td>
<td>Strengthening of operational linkages</td>
</tr>
<tr>
<td></td>
<td>3.3</td>
<td>Management and training</td>
</tr>
<tr>
<td></td>
<td>5</td>
<td>General Technical Assistance</td>
</tr>
<tr>
<td>Grant scheme</td>
<td>2.1</td>
<td>Grant to VET programmes</td>
</tr>
<tr>
<td></td>
<td>2.2</td>
<td>Grants for apprenticeships</td>
</tr>
<tr>
<td></td>
<td>4.1</td>
<td>Developing your own business</td>
</tr>
<tr>
<td></td>
<td>4.2</td>
<td>Expanding your own business</td>
</tr>
</tbody>
</table>

* In addition to the identified grants, these measures will also require the development of grant contracts with employers and/or trainees.

The exact number of grant measures cannot be determined until after the studies have been completed and regions identified for action under the various measures contained in this project. It is anticipated that supply and works tenders for VET Centres will consist of 3 and 5 lots depending on the characteristics of the equipment, refurbishment needs, etc.
7 Implementation Schedule

The formal implementation schedule will commence in January 2002. Prior to this date, however, there will be a need to establish the PIU with core members of the team drawn from the MLSP and MES to assess and evaluate the results of the labour market surveys will the view to making a formal recommendation to PSC at its first meeting.

7.1 Commencement of the project (organisational arrangements complete) - January, 2002.
7.2 Start of tendering / Calls for Proposals - April, 2002
7.3 Start of the project activities - October, 2002
7.4 Project completion - December, 2004

8 Equal Opportunities

Equal opportunity is a fundamental principle of the project. Ensuring equal opportunity will be embodied in every sub-project and at every level of implementation.

9 Environment

No impact

10 Rates of return

Rates of return can only be calculated for individual components approved under the scheme.

11 Investment Criteria

11.1 Catalytic Effect

Improve quality and range of VET will increase employability of disadvantaged groups and is likely to generate future demand for training. The introduction of new technology into VET programmes is also likely to increase overall labour mobility as individuals possessing these qualifications are likely to be sought after by employers. Development of entrepreneurial skills is also likely to generate both increase self-employment and development of micro and small enterprises.

The active involvement of employers in a number of the measures will result in a strengthening of links between the private and public sectors through partnership arrangements.

Overall the project will seek to involve a wide range of social partners and NGOs in the development and management of projects. This will provide valuable experience that could be used in undertaking projects in the future

11.2 Co-financing

All aspects of the programme are based upon co-financing between Phare and the National Government on a 75:25 basis.

11.3 Additionality

EC finance will be additional to that allocated to the national scheme through the Bulgarian national budget, Fund for Vocational Training and Employment, and private contribution.
11.4  Project readiness and Size

The project budget will exceed the 2MEURO for investment projects. For the majority of elements in this programme the final decision on targeting the funds will be made following the completion of a major labour market survey during 2001 under Phare 2000 or through the use of the PPF facility.

11.5  Sustainability

The VTCs are owned by the Government, which will continue funding. All other aspects of the programme will be sustained through Professional Training and Unemployment Fund or by NGOs consolidating the measures into their core activities.

11.6  Compliance with state aids provisions

The activities within the project will be implemented in accord with the Article 92(3)(a) of the Treaty of Rome with respect to regional aid in an Objective 1 Member States.

11.7  Contributions to the National Development Plan and Regional Development Plans

These are in accordance with those elements identified in item 2.4.

12.  Conditionality and sequencing

The project cannot commence until the EU Delegation is satisfied with the capacity of both the Implementing Agency and the Beneficiary. Both Ministry of Regional Development and Public Works (Implementing Agency) and the Ministry of Labour and Social Policy (Beneficiary) will have to demonstrate to the Commission that adequate staffing and other resources have been made available to the relevant PIU for the project to begin. An operational guideline will have to be elaborated prior to the project start and the Delegation must approve the financial control arrangements.

Memoranda of Understanding between the MRDPW and MLSP need to be concluded and an additional understandings has to be agreed between the MLSP and MES.

Labour survey work needs to be completed by the autumn of 2001 and the targeting assessment completed prior to the formal commencement of the project.

Key milestones will be:

- Consultation with social partners on the programme
- Completion of Labour Market Surveys – Autumn 2001
- Identification of target regions and areas. – by December 2001
- Establishment of PSC and PIU – by December 2001
- Establishment of Regional Networks –Labour Offices, Regional Employment Services, Regional Education Inspectorates and other social partners.
- Marketing and development of the program including building surveys
- Finalisation of operational arrangements
- Calls for proposals and entry into the contracting phase.
- Implementation of activities
- Mid term evaluation report
<table>
<thead>
<tr>
<th>Annexe 1</th>
<th>Logical Framework</th>
</tr>
</thead>
<tbody>
<tr>
<td>Annexe 2</td>
<td>Detailed Implementation Chart</td>
</tr>
<tr>
<td>Annexe 3</td>
<td>Contracting and disbursement Schedule</td>
</tr>
<tr>
<td>Annexe 4</td>
<td>Institutional Arrangements</td>
</tr>
<tr>
<td>Annexe 5</td>
<td>Lists of relevant Laws and Regulations</td>
</tr>
</tbody>
</table>
## Phare Log Frame

### LOGFRAME PLANNING MATRIX FOR

**Project:**

<table>
<thead>
<tr>
<th>Investment in the National Employment Plan – Labour Market Initiatives</th>
</tr>
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<tbody>
<tr>
<td>Contracting period expires 30 November 2003</td>
</tr>
<tr>
<td>Disbursements period expires 30 November 2004</td>
</tr>
<tr>
<td>Total budget: 8.314 MEURO</td>
</tr>
<tr>
<td>Phare Budget: 6.300 MEURO</td>
</tr>
</tbody>
</table>

### Overall Objective

**Objectively verifiable indicators**

(all data will be broken down by gender and disadvantaged groups)

- Changes in number and % in the unemployment by disadvantaged groups measured at target regions.
- Number of businesses created and the number of jobs created.

**Sources of Verification**

- National Statistics Institute Reports
- National Employment Service Reports
- Labour Forces surveys

**Reduced level of the unemployment and increased employment particularly in the disadvantage groups.**

### Project Purpose

**Objectively verifiable indicators**

(all data will be broken down by gender and disadvantaged groups)

- Number of persons who passed VT centres programs and obtained employment.
- Number and % of persons passed training at Social Support Centre who established own businesses or became self-employed.
- Number & % of people completing VET programs who have been employed over 6 months requiring skill provided during training.

**Sources of Verification**

- National Statistics Institute Reports
- National Employment Service Reports
- Labour Force surveys
- PIU Reports

**Assumptions**

- Stable macroeconomic conditions
- Public Support
- Improvement of tax, administrative and credit environment
<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
</table>
| **A) Employability** | - Vocational secondary schools and boarding houses upgraded to VT centres through refurbishment and re-equipping.  
- Integration of IT into the standard teaching practice.  
- Professional Development for 100 training, management and technical staff.  
- Increased training capacity will enable an extra 500 trainees from target groups. | - PIU reports  
- Labour market surveys,  
- Records of training providers | - No downturn in economy reducing opportunities for employment.  
- Capacity of unemployed for to develop their own businesses. |
| | **B) Adaptability** | | |
| | - Provision of 450 – 480 vocational training courses and the training of 7000 individuals.  
- Provision of Apprenticeships creating 1000 months work at least 500 months of paid employment. | | |
| | | - Five VT Centres created  
- Number & per cent of people successfully completed vocational training or retraining courses  
- Number of staff at centres receiving training | |
• Provision of 200 retraining places for employers accepting apprentices.
• Provision of one social support training centres designed to train health professionals and teachers with training designed to encourage self employment and entrepreneurship.

C) Entrepreneurship
• Provision of entrepreneurial training and consultancy support to 450 long term unemployed in the target areas
• Provision of entrepreneurial training and consultancy support to 300 entrepreneurs intending to expand their businesses and create new jobs.

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Costs</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>A) Employability</td>
<td></td>
<td></td>
<td>• Labour market needs have been accurately identified</td>
</tr>
<tr>
<td>Development of vocational secondary schools into VT Centres designed to meet the needs of disadvantaged groups.</td>
<td>Works and Supply Contract</td>
<td></td>
<td>• Motivation of the unemployed to participate in VET courses</td>
</tr>
<tr>
<td>Selection of vocational secondary schools</td>
<td></td>
<td></td>
<td>• Motivation of teachers and health care staff to participate in social support training and development of need approaches in the delivery of care.</td>
</tr>
<tr>
<td>Upgrading and refurbishment of Vocational secondary schools</td>
<td></td>
<td></td>
<td>• Motivation of entrepreneurs to develop their organisations and offer new employment opportunities</td>
</tr>
<tr>
<td>Repair works</td>
<td></td>
<td></td>
<td>• Motivation of unemployed to develop their own business</td>
</tr>
<tr>
<td>Improvement of associated residential accommodation</td>
<td></td>
<td></td>
<td>• Interested business support organisations to initiate project proposals for the measure designed to stimulate entrepreneurship</td>
</tr>
<tr>
<td>Provision of technical equipment, Introduction of IT technologies;</td>
<td></td>
<td></td>
<td>• Local training providers capable and interested to develop project proposals</td>
</tr>
<tr>
<td>Training and development of staff;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training of the trainers / teachers in technical skills</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Management training of key staff;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training of staff in the use of IT</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>As an aid to teaching practice</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Training of staff in the maintenance of IT and the IT network</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Development of training Curricula;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Targeting and selection of trainees;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Strengthening of operational linkages</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seminars with employers</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seminars with school drop out centres and regional education inspectorates</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Seminars with labour offices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>B) Adaptability</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>-----------------</td>
<td>---------------------------------------------------</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Grant Funding for VET and work experience</strong></td>
<td><strong>Preconditions:</strong></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants to support VET programmes</td>
<td>• Organisational arrangements between the Ministries involved finalised and PIU and PSC established.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development of criteria and guidelines for selection of training and programs</td>
<td>• Targeting of programmes has been completed.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Target areas allocation of resources based on the number of unemployed</td>
<td>• Labour market survey completed anti 2001</td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Calls of proposals and selection procedures</td>
<td>• Targeting completed before commencement of programs</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grants for provision of apprenticeship programs for the unemployed</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Marketing of the scheme by selected beneficiaries</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Matching individuals with identified apprenticeship vacancies</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Monitoring of the apprenticeship arrangements by Regional co-ordinators, assisted by Labour offices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Retraining of staff in companies accepting apprentices</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Social Support measure</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Selection of the organisation that will manage the Centre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Refurbishment of the Centre</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Purchase of equipment</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Selection of trainers;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development of training curricula;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Targeting and selection of trainees</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Provision of training and re-training</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>C) Entrepreneurship</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>Measures designed to stimulate entrepreneurship</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Selection of the beneficiaries within the support program</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Marketing the programmes in order to raise awareness among the unemployed and newly established entrepreneurs.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Provision of market surveys to assist trainees in structuring their business or service</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Development and delivery of Training Programmes designed to introduce and develop entrepreneurial skills.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Provision of consultancy services to assist the participants finalise their business plan and on-going support through the start up or development period.</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>- Provision of promotional services for the new business start-ups or company expansion.</td>
<td></td>
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</tbody>
</table>
### Appendix 2  
**Implementation Chart – Labour Market Measures**

<table>
<thead>
<tr>
<th>Components</th>
<th>2002</th>
<th>2003</th>
<th>2004</th>
<th>2005</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>J</td>
<td>F</td>
<td>M</td>
<td>A</td>
</tr>
<tr>
<td>Operational PIU</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Operational PSC</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Pre-contract preparatory work completed by ……</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Tendering and Calls for Proposals</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
<tr>
<td>Project Activity</td>
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<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Development of VET Centres</td>
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<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>1 Upgrading/Refurb</td>
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<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>2 Training</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>3 Strengthen Linkages</td>
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<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Grants for Vocational Training and work</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>experience</td>
<td>Social Support</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Entrepreneurship Programmes</td>
<td>O</td>
<td>O</td>
<td>O</td>
<td>O</td>
</tr>
<tr>
<td>Monitoring and Evaluation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<tr>
<td>Mid Term Report</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
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<td>Final Evaluation</td>
<td>X</td>
<td>X</td>
<td>X</td>
<td>X</td>
</tr>
</tbody>
</table>
Appendix 3
CONTRACTING AND DISBURSEMENTS SCHEDULES - LABOUR MARKET INITIATIVES

<table>
<thead>
<tr>
<th>Date</th>
<th>31/03/02</th>
<th>30/06/02</th>
<th>30/09/02</th>
<th>31/12/02</th>
<th>31/03/03</th>
<th>30/06/03</th>
<th>30/09/03</th>
<th>31/12/03</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted</td>
<td>1.250</td>
<td>6.037</td>
<td>8.317</td>
<td></td>
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<td></td>
<td></td>
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<tr>
<td>Disbursed</td>
<td>.050</td>
<td>0.505</td>
<td>1.390</td>
<td>2.625</td>
<td>3.885</td>
<td>5.050</td>
<td>5.940</td>
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<table>
<thead>
<tr>
<th>Date</th>
<th>31/03/04</th>
<th>30/06/04</th>
<th>30/09/04</th>
<th>31/12/04</th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursed</td>
<td>6.780</td>
<td>7.320</td>
<td>7.870</td>
<td>8.314</td>
</tr>
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</table>

Figures in Meuro
Institutional Framework

Project Steering Committee

Project Implementation Unit
- Senior Programme Officer
- Project Programme Co-ordinators
  - 1 MLSP
  - 1 MSE
  - Specialists
  - Secretariat
- Regional Project Co-ordinators

Project Evaluation Committee

Regional Committees of Assessors
- Nominated by Regional Employment Committee

Operational Linkages
- Municipalities
- Region Education Inspection
- Employer Associations
- Trade Unions
- Regional Employment Service
- Specialist NGOs
Appendix 5

List of relevant laws and regulations


