Summary Project Fiche

1. Basic Information

1.1. CRIS Number: BG2003/004-937.05.01

1.2. Title: Implementation of the Pre-accession Commitments of Republic of Bulgaria in the area of Occupational Safety and Health

1.3 Sector: Employment, Social Policy and Education

1.4 Location: National

2. Objectives

2.1. Overall Objective:

- Contribution to implementation of the pre-accession commitments of Bulgaria in the area of OSH and transposition of the EU directives concerning the section Health and safety at work
- Adoption of the OSH working conditions in a selected risk industry in conformity with the European requirements and standards
- Establishment of a monitoring system in the area of occupational safety and health

2.2. Project purpose:

- Improvement of the administrative capacity of the executive Agency “General Labour Inspection” (EA “GLI”).

2.3. Accession Partnership and NPAA priority

2.3.1. NPAA Priority

In the field of the safety and health at work the project is in conformity with the following priorities laid down in the NPAA:

- 13.1.9 Control over the observance of the labour legislation
- 13.1.9.2 Render an account of the observation of the labour legislation
- 13.10.1 Further harmonization of the Bulgarian legislation in the field of “Safety and Health at Work” with the EU legislation and preservation of the ability to work and the health of the labour force and the population through ensuring safety and health at work
- 13.10.2 Enforcement of the harmonized (with the EU) legislation in the field of occupational safety and health and preservation of the ability to work and the health of the labour force and the population through ensuring safety and health at work
- 13.10.2.2 Increasing the effectiveness of the inspection control of EA”GLI” for applying the legislation in the field of “Safety and health at work”. Development and enforcement of guidelines, procedures and codes for good practices in the field of inspecting
• 13.10.2.4 Further building and development of the administrative capacity of EA “GLI”

• 13.10.2.6 Further development of the regional and branch structures aimed at improvement of the bipartite and tripartite co-operation and elaboration and implementation of plans for action in the field of occupational safety and health

2.3.2. AP Priority

The project will directly address the following priorities stated in the AP:

• Continue alignment of the social acquis in particular on equal treatment for women and men and health and safety at work and develop implementation capacity including the strengthening of the labour inspectorates.

• Continue to support social partners’ capacity-building efforts, in particular with a view to their future role in the elaboration and implementation of EU employment and social policy, including the European Social Fund and foster structured involvement of social partners, notably through autonomous bipartite social dialogue.

2.4. Contribution to National Development Plan

Not applicable for Institutional Building projects;

2.5. Cross Border Impact

NA

2.6. Contribution to the new government strategy in the social policy

The project implementation will contribute for the achievement of the following goals stated in Chapter 3 “Social security policy and industrial relations”, point G “Promotion of Occupational Safety and Health working conditions”:

• Elaboration and adoption of forms and methods that will ensure “the well-being at work” and the motivation for the adoption of occupational safety and health working conditions within the enterprises;

• Creation of a model and insurance of the needed resources for the adoption of the new norms and standards when transposing the European directives into the national legislation;

• Complete actualization of the occupational safety regulations;

• Development of an unified information system on the working conditions;

• Institutional strengthening of the EA “GLI” and conduction of an effective control over the implementation of the labour legislation;

3. Description

3.1. Background and justification:

In the 2002 Regular Report of the European Commission on Bulgaria’s Progress towards Accession the accent is set on two problematic areas in the social sphere: safety and health at work and social security: “Regarding health and safety at work, considerable work remains with regard to transposition and particularly enforcement of the legislation in this area. The capacity of the General Labour Inspectorate to perform the relevant checks in a satisfactory way needs to be further improved also in view of the additional tasks transferred to this body through the Employment Promotion Act. Given the considerable investment needed both by the Government and by companies to comply with the acquis in this area, an
assessment of the financial impact from the enforcement of particular directives in this field should be undertaken.”

The main problems in this area are presented mainly in the existing disparities between the national legislation and the requirements of the European law, lapses in the organization and the work of the administrative structures, inadequate infrastructure and insufficient technical equipment.

The indicated problems in the area of Occupational Safety and Health are specified as follows:

- **Inadequate administrative structure and capacity**

The necessity EA”GLI” to control the observance of the harmonized legislation requires adequate capacity which the Agency does not possess at the moment.

The administrative-financial capacity of EA”GLI” is also insufficient for the effective control. The capacity of the GLI needs to be strengthened in order to perform the relevant controls in a satisfactory way. The data in the EA”GLI” shows that there are 750 000 enterprises in Bulgaria and only 28 000 per year are inspected by the EA”GLI” because of the limited inspectorate staff – 300 people. An increase (up to 400 inspectors from February 2003) in the staff of the inspection is envisioned in 2003 but this will not lead to an increase in the range of the inspected sites.

The organization of the inspection is still not in conformity with the respective inspections in the EU member -states. Along with this such development of the professional competences is requisite, which will allow qualitative inspection of the sites with high risk and implementation of flexible control in the small and medium-sized enterprises.

- **Lack of an integrated monitoring system for the occupational safety and health working conditions**

The overall monitoring functions entrusted to the EA “GLI” are embarrassed by the fact that there is no unified system for gathering, processing, exchange and analysis of the information flows between the EA “GLI” and its regional directorates. For the purposes of the enforcement and the adoption of the EU best practices on the working conditions, the current project aims to develop, establish and test a monitoring system for safety and health working conditions.

- **Inadequate equipment for the insurance of OSH working conditions within the high occupational risk branches**

The greatest part of the Bulgarian enterprises (especially those functioning in the high occupational risk industries) does not use adequate equipment that is in conformity with the current OSH requirements. This can be viewed as a result of the following major factors:

- Reliance on outdated production processes;
- Insufficient financial resources for introduction of new technological equipment;

The seriousness of the stated problem can be best realized when taking into account the analysis of the high occupational risk industries. The data shows that the usage of outdated and old production equipment leads to an increase in the occupational diseases and in the number of the production failures. In addition, the older the equipment, the bigger the investment needs for renovation and introduction of the current OSH requirements.
The highest occupational risk branches are the mining industry, the chemical industry, the metallurgy and the construction industry. For example the analysis of the metallurgy shows that the branch includes 78 enterprises (with 26,370 employed), most of them built in the period 1948-1965. The used production equipment is outdated and a great relative share of it can be characterized by a high usage risk. The industry also produces, uses, preserves, and transports dangerous chemical and energy products that can have negative external effects. The results from the completed inspections in 2002 indicate that about 60% of the employees in the branch are continuing to work in a high risk occupational working conditions, exceeding the sanitary norms. All this is reflected in the increase of the occupational diseases – according to the statistical data in 2001, 13.4% of the occupational diseases are related to this sector. The metallurgy is also characterised as a branch with a high number of employment accidents (242 in 2002) and a trend toward detention of a high level of occupational traumatism. All the above mentioned effects come to show that in the metallurgy, the OSH conditions are far from the current requirements and the needed investments for improvement are beyond the enterprises own financial possibilities. Only 7% of the enterprises in the industry have a system for management of the OSH working conditions and only 4% have done an assessment of the occupational risk. The staff entrusted with functions for ensuring the OSH working conditions is not sufficiently qualified and in some cases it exists only formally, thus not contributing enough for the collaboration between the employers and employees in the area of OSH. Still, there are not existing strong economic mechanisms and regulations that can motivate the employers to undertake the needed investments for ensuring the OSH requirements. Similar analysis can be done for all other above mentioned risk industries.

In order to address some of the stated problems in the high occupational risk industries, the current project proposal envisions the introduction of a Grant scheme for the adoption of up-to-date OSH working conditions in the enterprises. The Project Steering Committee (PSC) will make the decision for selecting one of the risk industries for implementation of the grant scheme prior to start of project activities. The financial resources provisioned through the Grant scheme will be additional to the enterprises’ internal financial possibilities and to those that enterprises can receive in accordance to the OSH working conditions act (up to 20% of the all investment costs can be covered by the National Working Conditions Fund). The combination of the financial instruments for introduction of current OSH working conditions is much more than needed in industries where big investments are required.

3.2. Linked activities:

- BG 93/12 Labour Market and Social Policy” – this project supported the institutional building of EA “GLI” and the harmonization of the legislation in the field of safety and health at work with the Framework directive EU 89/391

- BG 9806.03 “Occupational Safety and Health” (Twinning project – the partner was the Danish National Service for Occupational Environment) – this project was a continuation of the above mentioned project

- International Labour Organisation project “Training for integrated Labour Inspection” – the project was implemented by EA “GLI”

- A joint project of the British Ministry of International Development and “State Administration” Directorate of the Council of Ministers of Republic of Bulgaria named “Improvement of the administrative service through the introduction of one stop shop” For its implementation in the system of MLSP as pilot administration have been determined EA
“GLI”, Employment Agency and National Social Assistance Service. The project has started in May 2002 and it is expected to end in December 2004.

- The Bulgarian Government is preparing an e-government program and plans that are supposed to be completed by the end of 2004. The e-government project manages the main relationships between the government and the economic agents, the government and the citizens, and the different government institutions. The implementation of the current project could catalyze the effect of the e-government through the provision of actualized information on issues concerning the novelties in the activities of the beneficiary institution.

- “Occupational Safety and Health in the Construction Industry” – bilateral project implemented by the MLSP and the EA “GLI” supported by the Danish government. The aim of the project is to transpose the EU Directive 92/57, which is related to the OSH in temporary and mobile construction sites.

4. Results:

Component 1 – Strengthened institutional capacity of the EA “GLI”

1. Improved organization and effectiveness of the inspection activity in EA “GLI”
2. Elaborated methodical guidelines for performance of effective periodical control and criteria for estimation of the occupational risk assessment in a chosen industry
3. Strengthened co-operation with other state institutions and social partners in the field of OSH
4. Professional competence and qualifications of the inspectors of EA “GLI”, corresponding to the EU requirements

Component 2 – Development of an integrated monitoring system in the EA “GLI”

1. Developed project for the development of the monitoring system;
2. Developed software serving the monitoring system;
3. Relevant hardware able to maintain the monitoring system in place;
4. Trained inspectors able to operate with the new monitoring system

Component 3 – Grant scheme for the adoption of occupational safety and health working conditions in enterprises within a chosen high risk industry

1. Raised awareness about the need for the adoption of the OSH within the chosen industry
2. 3 to 5 training seminars on the OSH requirements within the chosen industry completed
3. 20 grants for the adoption of the OSH working conditions within the chosen industry provided

5. Activities:

In addition to project activities, PPF will be used for contributing to the project objectives and results. The main results anticipated from the PPF will be:

- impact assessment model that will help in assessing the financial burden on employee, human resources with the necessary qualification and investments for the implementation of the separate Directives; (as per commitments under negotiations, Bulgaria’s confirms that it will carry out studies to assess the financial impact of implementing individual Directives in the field of occupational health and safety by December 2003 (CONF 18/02)
• training needs assessment for the beneficiaries institutions under the project such as regional structures of the GLI, social partners, labor offices, enterprises from risk industries.

The PPF results should be delivered prior to project start.

**Component 1 - Strengthened institutional capacity of the EA “GLI”**

1.1 **Harmonization of the organization and the mechanisms of inspection activity in compliance with the EU standards**

Under this activity are envisaged measures for improvement of the inspection activity as well as measures for improvement of the inspectors’ work conditions. Development of methods; introduction, realization and development of flexible approach through determination of priorities of control and through increase in the effectiveness in the implementation of operative activities (including inspection of risk sites, investigation on accidents, enforcement of measures of compulsion, reacting to complaints and signals).

1.2 **Development of methodical guidelines for the conduction of effective regular control as well as criteria for the estimation of the occupational risk assessment**

The activity comprises of development of different methodical guidelines in order to address the shortage of contemporary rules for the effective organization of the control function not only of the inspectors but also within enterprises. By using the EU best practices it is first intended to develop methodical guidelines for the conduction of an effective inspection in the high-risk industries. In order to reach more streamlined approach, it is proposed to introduce such a guidelines for a number of high-risk industries and then to develop criteria for the estimation of the occupational risk assessment and a methodology for occupational risk assessment within the same chosen industries/industry. Prior to start of the project activity, there will be an assessment (carried out by the PIU with the support of the TA) of the appropriate branches, where guidelines and estimation of the occupational risk is most needed. A tender for the development of the documentation will be organized by the PIU. The elaborated documentation will be disseminated among interested parties through the organization of thematic seminars.

1.3 **Improvement of the mechanisms for interaction with the social partners and with the state institutions**

This activity is directed to the implementation of priority 13.10.2.6 from the NPAA and envisages continuous maintenance and development of the dialogue between the social partners, actualization and if necessary conclude new agreements for co-operation. The measure also includes the conduction of joint inspections including representatives from the trade unions and the employers’ associations. The activity comprises of training for representatives of all stakeholders, conduction of workshops and round tables focused on the different dimensions of OSH directives adoption and introduction.
1.4 Training of the inspectors to exercise control over the harmonized with the EU legislation

Preparation, organization and conduction of specialized training activities are envisaged in order to complement, develop and improve the professional competencies of the inspectors with a view to the increase of quality, effectiveness and culture of their activity. This will be realized by continuation of the accomplished in this field by the ILO project “Training for Integrated Labour Inspection” and the Phare project BG 9806.03 “Occupational Safety and Health”. Further more specialized training curricula for inspection of risk sites will be developed and the inspection practicum will be introduced and recognized as acting and effective form of training at place and for putting into practice the learned in the immediate work at the inspection of real sites.

Component 2 – Development of an integrated monitoring system in the EA “GLI”

1. Project for the development of the monitoring system
The measure will be implemented through a service contract for the elaboration of a project of the monitoring system. While drafting the project the contracted organization will have the obligation to analyze in depth the existing monitoring practices, the informational exchange between the EA “GLI” and its regional directorates, the existing EU monitoring systems in the area of OSH. The project for the development of the monitoring system will comprise of: 1/ the structure and the interrelations between the various users of the system 2/ set of criteria for estimation of the occupational and safety working conditions by industries 3/ the levels of summarizing of the collected data as well as other useful information; /4/ specifications of the needed software.

2. Development of a software for the monitoring system
The development of the software will be executed by a software company that will be also responsible for the training of the EA “GLI” staff to operate with the monitoring system, as well as for its introduction. The aim of the specific training is to show the inspectors how to operate with the developed monitoring system. The introduction of the monitoring system will start with a conduction of a number of site inspections in the chosen industry and the measuring of specific performance indicators incorporated in the software system. Then the collected data will be integrated within the established monitoring system for processing and analysis of the results. A summary of the industry performance according to the OSH requirements and the needed next steps can be disseminated among interested parties. The concrete industry where the monitoring system will be at first applied will be decided using a preliminary defined set of criteria.

3. Provision of hardware for the implementation of the monitoring functions
In order to effectively implement the developed monitoring system there will be a need to upgrade and to renovate the existing hardware in EA “GLI” and its regional directorates. A technical specification of the needed equipment able to maintain the developed software should be elaborated. Then a tender for the delivery of the equipment will be organized.
Component 3 – Grant scheme for the adoption of occupational safety and health working conditions in enterprises within a chosen high-risk industry

The component is designed to provide an opportunity for the adoption of occupational and safety working conditions in the enterprises from high-risk industries. The Project Steering Committee (PSC) will make the decision for selecting one of the risk industries for implementation of the grant scheme prior to start of project activities.

It is proposed to implement the suggested grant scheme in the high-risk industries for the following reasons:

1. They are characterized by a high level of occupational risk
2. The existing technical equipment in the high-risk industries usually does not correspond to the current OSH requirements
3. Significant investments are needed for the adoption of up-to-date OSH working conditions

The grant scheme will add to the financial funds of the enterprises for the purposes of adoption of the current OSH conditions, as well as to the funds the enterprises can receive in accordance to the OSH act from the National Working Conditions Fund. The average sum of the grant will be 50 000 euro.

The activity will start with an awareness campaign explaining the application rules, eligible enterprises, the OSH requirements that should be met through the implementation of the scheme, as well as the need for such an adoption of the OSH working conditions. Documentary as well as video materials may be disseminated among interested parties. It is envisioned that the campaign will be carried out through the organization of a number of information seminars.

A call for proposals will be issued to enterprises from chosen high occupational risk industries. A National Evaluation Committee, appointed by the MLSP (Contracting Authority) will evaluate the proposals and the SC will make the final approval. Then the awarded applicants will be required to adopt the requested OSH conditions. The monitoring will be executed by the PIU.

6. Lessons learned:

The Phare project BG 9806.03 “Occupational Safety and Health” was assessed by the European Commission as one of the first successfully implemented projects in Eastern Europe. Nevertheless the undertaken engagements for establishment of operative Integrated Information System in EA “GLI” were not fulfilled owing to circumstances beyond the control of the MLSP and EA “GLI”.

7. Institutional Framework

Key partners in the project management and implementation will be the MLSP, GLI and their regional directorates. The day to day management of the project will be entrusted to the PIU. The PIU will be established within the GLI and will comprise representatives from the GLI and MLSP.

The Ministry of Labour and Social Policy is the Implementing Agency (respectively the Contracting Authority) of the project as it is mandated to be IA under PHARE Program in social and human recourses development sector.
The MLSP will manage and administrate the project through the Program Authorizing Officer (PAO) and the directorate “Preaccession Funds, International Programs and Projects” (DPFIPP). The Directorate “PFIPP” will act as administration of the IA / PAO.

For the strategic management a Project Steering Committee (PSC) will be established.

**The Project Steering Committee**

The PSC is a policy and decision making body.

The PSC will provide strategic direction and guidance to the PIU. The main functions of the PSC are as follows:

- Approval of the developed monitoring system;
- Approval of the selection of the awarded applicants under the grant scheme;
- Approval of the progress reports that concern the overall implementation on a quarterly basis;
- Recommendations for the improvement of the project implementation;
- Counselling concerning problem issues;

The membership of the PSC will include representatives of stakeholder organisations as well as state organisations. The proposed membership is:

<table>
<thead>
<tr>
<th>MLSP</th>
<th>Trade unions’ representative</th>
</tr>
</thead>
<tbody>
<tr>
<td>EA “GLI”</td>
<td>Employers’ associations representative</td>
</tr>
<tr>
<td>Ministry of Economy</td>
<td>Small and Medium Enterprises Agency</td>
</tr>
<tr>
<td>EU Delegation – Sofia (as an observer)</td>
<td>Ministry of Finance</td>
</tr>
</tbody>
</table>

The PSC will take its decisions with simple majority.

The PSC will hold its regular meetings at least four times a year. When important matters are to be concerned the chairman or 2/3 of the PSC members could convene the PSC for a meeting.

**PAO**

The PAO has ultimate responsibility for ensuring that the programme is implemented fully in line with the Financing Memorandum and government policy in terms of sound administrative and financial management of the project, including tendering, contracting, disbursement, accounting, payment and reporting procedures and monitoring of the project.

**MLSP - IA**

The overall administrative and financial management is the responsibility of the MLSP through the DPFIPP. The latter include:

- Preparing and/or submission of procurement documentation based on inputs from the PIU, contracting and contracting procedures of works, supplies, goods and grants;
- Accounting, payments, and financial control for the contracts and grants;
- Overall monitoring and evaluation of the project activities;
- Preparation of quarterly and ad hoc reports on project status and fund management.
The day-to-day administration of the project will be a responsibility of the established PIU.

Technical Assistance

The technical assistance under the project will be in charge of the preparation of main operational documentation such as ToRs, Operation Manuals, Guidelines for applicants and other project related documentation, conduction of awareness and training campaign. All these documents will be worked out based on the previous experience of Phare projects implemented by MLSP. Moreover the TA will provide assistance and guidance to the IA and PIU for complicated management and implementation issues.

8. Detailed Budget

<table>
<thead>
<tr>
<th>Component 1</th>
<th>Investment Support</th>
<th>Institution Building</th>
<th>Total Phare (=I+IB)</th>
<th>National Co-financing*</th>
<th>IFI*</th>
<th>TOTAL</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service contract for development of guidelines, inspection activity improvement, social partners interaction and training activities</td>
<td>0,37</td>
<td>0,37</td>
<td>0,37</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 2</td>
<td>0,38</td>
<td>0,35</td>
<td>0,73</td>
<td>0,13</td>
<td>0,86</td>
<td></td>
</tr>
<tr>
<td>Contract for development of a project of the software</td>
<td>0,05</td>
<td>0,05</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract for development and introduction of the software</td>
<td>0,3</td>
<td>0,3</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Contract for equipment</td>
<td>0,38</td>
<td>0,38</td>
<td>0,13</td>
<td>0,51</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Component 3</td>
<td>0,7</td>
<td>0,7</td>
<td>0,23</td>
<td>0,93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Grant Scheme</td>
<td>0,7</td>
<td>0,7</td>
<td>0,23</td>
<td>0,93</td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA</td>
<td>0,2</td>
<td>0,2</td>
<td>0,2</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>1,08</td>
<td>0,92</td>
<td>2,00</td>
<td>0,36</td>
<td>2,36</td>
<td></td>
</tr>
</tbody>
</table>

* In cases of co-financing only

Note: expenditure for equipment should be put under Investment

9. Implementation Arrangements

Implementing Agency

The Implementing Agency (IA) is the Ministry of Labour and Social Policy through the directorate “Pre-accession Funds, international Programs and Projects”.

The PAO will be:
Mr. Radoslav Bozadzhiev
Deputy Minister of Labour and Social Policy
2 “Triaditsa” Str.,
Sofia 1000, Bulgaria
Phone: (+359 2) 933 24 59;
Fax: (+359 2) 986 13 18
E-mail: rbozadzhiev@mlsp.government.bg
Due to the complexity of the project, ie diversity of interventions in several areas of the country characterized by a difficult situation (social, psychological etc) which may lead to more difficult project implementation conditions and involving a grant scheme, the disbursement period will be extended by one year to … 2007. Previous experience with comparable projects in this sector justifies such an approach. Grant schemes are still relatively new in Bulgaria.

Twinning
NA

Non-standard aspects
PRAG procedures will be followed in all contracting

Contracts

<table>
<thead>
<tr>
<th>Type of contract</th>
<th>Project component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service contracts</td>
<td>Component 1 – Strengthened institutional capacity - 1 Service contract</td>
</tr>
<tr>
<td></td>
<td>Component 2 – Integrated monitoring system – 2 Service contracts</td>
</tr>
<tr>
<td></td>
<td>TA – 1 contract</td>
</tr>
<tr>
<td>Supply contracts</td>
<td>Component 2 – Integrated monitoring system - 1 supply contract</td>
</tr>
<tr>
<td>Grant scheme</td>
<td>Component 3 – Grant scheme for adoption of OSH - 20 contracts</td>
</tr>
</tbody>
</table>

10. Implementation Schedule

PPF – completed before project commencement;
Commencement of the project (organizational arrangements completed) – January 2004;
TA – April 2004;
Start of tendering – 2nd quarter 2004;
Calls of proposal – end of 2004;
Start of project activity – 1st quarter 2004;
Project completion – July 2007;

11. Equal Opportunity

Equal opportunity is a fundamental every sub-project and at every level of implementation.

12. Environment

No impact

13. Rates of return

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

14.1. Catalytic effect:

The catalytic effect of the project has several dimensions, as follows:

- The monitoring system to be developed under the project will serve as a base for the future development of an unified information system in the sphere of OSH thus contributing for the provision of actualized and updated on-line information permanently.
- The functioning of the monitoring system and the availability of competent and trained staff within the beneficiary institution is an important factor raising the overall effectiveness of the internal communication and co-ordination flows within the EA “GLI” (and its regional directorates). On the other side the monitoring system help for the effective execution of more client – oriented approach in the work of the beneficiary institution.
- The monitoring system will facilitate the identification of all work places, where compensations for hazardous work still exist, thus it will create the needed preconditions for their abolishment.

14.2. Cofinancing:

As the project is an IB one with associated investment it is based upon co-financing between Phare and the National Government on a 75:25 basis when investment components are concerned. A co-financing is expected from the awarded grant applicants. Additional in-kind contributions from the beneficiary institution in terms of staff and premises will be required.

14.3. Additionality:

The first steps toward the co-ordination of the information flows within the GLI and its regional directorates are taken. However the introduction of a new monitoring system, its interrelations and links with the regional directorates needs more complex, integrated and concentrated approach instead of the sporadic actions have taken place so far. The project will add a significant value to the GLI own efforts to maintain a modern, effective and users friendly monitoring system.

Additional funds will be added to the Grant scheme component as the OSH act gives an opportunity for enterprises to receive up to 20% of their total investment when adopting new equipment in accordance with the current OSH requirements.

14.4. Project readiness and Size:

There are assessments of the information, software and hardware needs of the beneficiary institution.

The GLI will utilize the already built capacity for project implementation gained during implementation of previously Phare executed projects.

14.5. Sustainability:

The sustainability of the project can be considered in the following ways:

- The coverage of the operational costs, the upgrading and the support of the established monitoring system is ensured by the beneficiary institution - GLI through its structures, staff and operational budgets;
• The envisioned monitoring system that is to be developed under the project will be open and built on a module principle thus creating opportunities for their continuous upgrading and eventual transformation according to the changing needs of the users of information;
• It is proposed to reach a synergy by combining the created monitoring system with the future unified information system of the state administration;
• The proposed Grant scheme component is in compliance with the New Social Policy Government Strategy

It is important that Bulgaria undertakes the following measures as per commitment in the negotiations: Legal transposition of the relevant Directives will be undertaken at the latest by 2003 according to the timetable indicated (CONF BG 8/02). Bulgaria's confirms that it will abolish the compensation system for bad working conditions by an amendment of the Labour Code in 2003 (CONF BG 18/02).

14.6. 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.

14.7. Contribution to National Development Plan

Not applicable for IB projects

15. Conditionality and sequencing

Key milestones will be:
• PPF results (see page 6) delivered prior to project commencement
• Draft of the ToR for the development of a project for the monitoring system and the serving software;
• Development of the software;
• Introduction of the software;
• Technical specifications of the equipment;
• Call of proposals for the grant scheme;
• Execution of the grant scheme.
# Phare log frame

## LOGFRAME PLANNING MATRIX FOR

<table>
<thead>
<tr>
<th>Project</th>
<th>Programme name and number</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Total budget : 2,36 MEURO Phare budget : 2,00 MEURO</td>
</tr>
</tbody>
</table>

## Overall objective

- Implementation of the pre-accession commitments of Bulgaria in the area of OSH
- Adoption of the OSH working conditions in the risk industries in conformity with the European requirements and standards
- Establishment of a monitoring system in the area of occupational safety and health

## Objectively verifiable indicators

- Fulfilled engagements under negotiation Chapter 13 in the field of safety and health at work

## Sources of Verification

- Regular Reports of the European Commission on Bulgaria’s progress towards accession
- Annual Reports of the institutions in the social sphere, information from the databases of these institutions
- Audit from external experts and organizations, entrusted by the European Commission

## Project purpose

- Improvement of the administrative capacity of the executive Agency “General Labour Inspection” (EA “GLI”).
- Optimization, and increased quality and effectiveness of the control activities
- Extension of the range and

## Objectively verifiable indicators

- Annual Reports of the institutions in the social sphere, information from the databases of these

## Sources of Verification

- Insufficient public support
- Insufficient engagement of the
<table>
<thead>
<tr>
<th>Results</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Component 1 – Strengthened institutional capacity of the EA “GLI”</td>
<td>Improved organization and effectiveness of the inspection activity in EA “GLI”</td>
<td>Increased Number of the covered sites in control</td>
<td>Reports of EA “GLI”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Improved level of culture of prevention in the enterprises</td>
<td>Availability of database</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Methodical guidelines for effective periodical control in place by the end of project activities</td>
<td>Analyses of requests, signals and data from the effective inspection time</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Increased number of inspections conducted in accordance to the developed guidelines</td>
<td>Accounts over the results from the fulfilment of agreements of EA “GLI”</td>
</tr>
<tr>
<td></td>
<td></td>
<td>• Criteria for the estimation of the occupational risk assessment in</td>
<td>• Issue of the elaborated methodical guidelines</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Issue of the criteria for the estimation of the occupational risk assessment</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Issue of materials (paper and video) on the risk assessment within the</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
3. Strengthened co-operation with other state institutions and social partners in the field of OSH

4. Professional competence and qualifications of the inspectors of EA “GLI”, corresponding to the EU requirements

<table>
<thead>
<tr>
<th>place by the end of project activities</th>
<th>chosen industry</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Methodology for the risk assessment within the chosen industry in place by end of project</td>
<td></td>
</tr>
<tr>
<td>• Materials on the risk assessment disseminated among enterprises within the chosen industry</td>
<td></td>
</tr>
<tr>
<td>• Effectively fulfilled agreements between the social partners</td>
<td></td>
</tr>
<tr>
<td>• 20 workshops, round tables, seminars and training completed</td>
<td></td>
</tr>
<tr>
<td>• 50 of joint inspections conducted</td>
<td></td>
</tr>
<tr>
<td>• 400 of trained by modules inspectors, including number of training inspections</td>
<td></td>
</tr>
<tr>
<td>• Share of successfully trained</td>
<td></td>
</tr>
<tr>
<td>• Conducted seminars</td>
<td></td>
</tr>
<tr>
<td>• Popularisation materials</td>
<td></td>
</tr>
</tbody>
</table>

• Stands of employers and trade-union organizations

• PIU Reports

• Analysis of the joint inspections

• PIU Reports

• Not active participation of the partners in the concluded agreements

• Low readiness of different groups in the society for the practical enforcement of the acquis and the EU practices

• Unrealized importance of the permanent maintenance of the professional competencies in
### Component 2 – Development of an integrated monitoring system in the EA “GLI”

1. Developed project for the development of the monitoring system;
2. Developed software serving the monitoring system;
3. Relevant hardware able to maintain the monitoring system in place;
4. Trained inspectors able to operate with the new monitoring system

- Range and number of modules included in the monitoring system
- Monitoring system for the OSH working conditions operational
- Decreased time for reaction to complaints and signals in emergency situations
- Decreased time needed for informational exchange between the regional directorates and the EA “GLI”
- 100 trained inspectors

### Component 3 – Grant scheme for the adoption of occupational safety and health working conditions in enterprises within a chosen high risk industry

- Raised awareness about the need for the adoption of the OSH within the chosen industry
- 10 training seminars on the OSH requirements within the chosen industry
- 10 information seminars held
- 1000 of promotion brochures created and disseminated
- 20 enterprises able to meet the OSH requirements one year

- PIU reports on regular basis;
- Records of awarded grant applicants;
- Ex-post appraisal by

- TA and PIU reports
- Appropriate expertise for the elaboration of the monitoring system
- Unrealistic planning

conformity with the dynamics of the demands
completed
• 20 grants for the adoption of the OSH working conditions within the chosen industry provided

after completion of project activities (within the chosen industry)

external auditors

Enterprises from the chosen industry are interested in the adoption of the OSH requirements

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Component 1 – Strengthened institutional capacity of the EA GLI</strong></td>
<td></td>
<td>• Lack of sufficient information for the localization of the inspection sites</td>
</tr>
<tr>
<td>1. Harmonization of the organization and the mechanisms of inspection activity in compliance with the EU standards, having into account the specificity of the Bulgarian legislation.</td>
<td>• Introduction of flexible approach in the inspection of SMEs in compliance with the EU member-states experience</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Determination of priorities of the control and necessity of inspection of risk sites</td>
<td></td>
</tr>
<tr>
<td></td>
<td>• Development of methods for investigation of accidents and enforcement of measures of compulsion in compliance with the harmonized legislation</td>
<td></td>
</tr>
<tr>
<td>2. Development of methodical guidelines</td>
<td>• Development of a methodical</td>
<td></td>
</tr>
</tbody>
</table>
3. Improvement of the mechanisms for interaction with the social partners and with the state institutions

<table>
<thead>
<tr>
<th>Guidelines for the conduction of an effective inspection of high risk industries</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Development of criteria for the estimation of the occupational risk assessment in a chosen industrial branch</td>
</tr>
<tr>
<td>• Development of a methodology for occupational risk assessment in a chosen industrial branch, taking into consideration the EU best practices</td>
</tr>
<tr>
<td>• Work meetings with the social partners</td>
</tr>
<tr>
<td>• Conclusion and implementation of partnership agreements</td>
</tr>
<tr>
<td>• Conduction of training for the social partners in the area of OSH</td>
</tr>
<tr>
<td>• Conduction of a number of joint inspections including representatives from the regional inspectorates, the trade unions and the employers’ associations.</td>
</tr>
</tbody>
</table>
4. Training of the inspectors to exercise control over the harmonized with the EU legislation

**Component 2 – Development of an integrated monitoring system in the EA GLI**

1. Project for the development of the monitoring system

2. Development of a software for the monitoring system, its introduction and

<table>
<thead>
<tr>
<th><strong>Component 2 – Development of an integrated monitoring system in the EA GLI</strong></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>1.</strong> Project for the development of the monitoring system</td>
</tr>
<tr>
<td><strong>2.</strong> Development of a software for the monitoring system, its introduction and</td>
</tr>
<tr>
<td><strong>4.</strong> Training of the inspectors to exercise control over the harmonized with the EU legislation</td>
</tr>
</tbody>
</table>

- Development of training curricula for inspection of risk sites
- Conduction of training
- Conduction of inspection practicum

- Service contract for the elaboration of a project for the monitoring system
- Investigation of the existing EU monitoring systems in the area of OSH
- Consultations with experts from the EU member-states
- Drafting of a project for the monitoring system

- Developed ToR for the elaboration of the software
training of the staff.

3. Provision of hardware for the effective implementation of the monitoring functions

**Component 3 – Grant scheme for the adoption of occupational safety and health working conditions in enterprises within a chosen high risk industry**

- Tender for the choice of a software company
- Development of the necessary software
- Adoption of the software
- Preparation of technical specifications for the equipment
- Organization and conduction of a tender for equipment supply
- Delivery of the equipment
- Training of the staff for work with the monitoring system
- Conduction of a number of site inspections for the chosen industry
- Integration of the gathered information within the established monitoring system
- Analysis of the results
- Dissemination of the results for the chosen industry among interested parties
1. Elaboration of guidelines and criteria for applicants
2. Promotional campaign of the Grant Scheme
3. Call of proposals and selection procedure
4. Provision of grants for enterprises within the chosen industry
5. Adoption of the OSH working conditions by the awarded applicants

<table>
<thead>
<tr>
<th>Grant scheme</th>
</tr>
</thead>
</table>

**Preconditions**

- Provided financial support from EU Phare programme
- Political support for the project
- Engagement of the interested institutions in the implementation of the project
**Appendix 2**

**Implementation Chart – Implementation of the Pre-accession Commitments of Republic of Bulgaria in the area of Occupational Safety and health**

<table>
<thead>
<tr>
<th>Components</th>
<th>2004</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
</tr>
</thead>
<tbody>
<tr>
<td>Operational PIU</td>
<td>X X X X X X</td>
<td>X X X X X</td>
<td>X X X X X X X X X X X X X X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td>Operational PSC</td>
<td>X X X X X X X X X</td>
<td>X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td>Contracting TA</td>
<td>X X X</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>TA</td>
<td>X X X</td>
<td>X X X X X X</td>
<td>X X X</td>
<td>X X X X</td>
</tr>
<tr>
<td>Tendering - 1st service contract (Component 1)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tendering - 2nd service contract (Component 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of first service contract</td>
<td>X X X X</td>
<td>X X X X X</td>
<td>X X X X</td>
<td>X X</td>
</tr>
<tr>
<td>Implementation of second service contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tendering - 3rd service contract (Component 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Tendering - supply contract (Component 2)</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Implementation of 3rd service contract</td>
<td>X X X X X X</td>
<td>X X X X</td>
<td>X X X X</td>
<td>X X X</td>
</tr>
<tr>
<td>Implementation - 1st supply contract</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Call of proposal</td>
<td>X X X X X X</td>
<td>X X X X</td>
<td>X X X X</td>
<td>X X</td>
</tr>
<tr>
<td>Grant implementation</td>
<td>X X X X X X X X X X X</td>
<td>X X X X X X X X X X X</td>
<td>X X X X X X X X X X X X X X X X</td>
<td></td>
</tr>
<tr>
<td>Final Evaluation</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

23
Appendix 3

CONTRACTING AND DISBURSEMENTS SCHEDULES – Implementation of the Pre-accession Commitments of Republic of Bulgaria in the area of Occupational Safety and Health

Figures in MEURO

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted</td>
<td>0.2</td>
<td>0.2</td>
<td>0.25</td>
<td>0.25</td>
<td>1.55</td>
<td>2.06</td>
<td>2.36</td>
<td></td>
</tr>
<tr>
<td>Disbursed</td>
<td>0.07</td>
<td>0.12</td>
<td>0.14</td>
<td>0.25</td>
<td>0.75</td>
<td>1.18</td>
<td>1.62</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Contracted</td>
<td>2.36</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Disbursed</td>
<td>1.77</td>
<td>1.94</td>
<td>2.26</td>
<td>2.36</td>
<td></td>
<td></td>
<td></td>
<td>2.36</td>
</tr>
</tbody>
</table>
Institutional capacity

The Ministry of Labor and Social Policy (MLSP) is mandated to act as Phare Human Resources Development Implementing Agency as of January 2003. This is stipulated for the first time in the Council of Regional Development Decision, adopted on 12/11/2000 and most recently confirmed in the Council of Ministers Decision ? 607 adopted on 05/09/2002 concerning a “Conception for Extended Decentralized Implementing System for Phare and ISPA Programs”.

In April 2001, the Council of Ministers amended the MLSP Code of Practice and created formally the Directorate “Pre-accession Funds and International Programs and Projects” (DPFIPP). As determined by the MLSP’s Code of Practice, the DPFIPP main functions include: organization, coordination and management of programs and projects financed by EU pre-accession funds.

The DPFIPP will act as Phare IA based on the capacity built under SMAEP’99 Phare project as well as on the experience of Phare projects from 2000 to 2002. In the period concerned the DPFIPP has grown in experience, knowledge and skills for implementing EU pre-accession funds assistance.

Currently the DPFIPP comprises of 35 people at national level. There are 10 civil servants and 25 people on civil contracts. In this respect the latest amendment of MLSP Code of Practice from 12/11/2002 stipulates that the staff of the DPFIPP increases from 10 civil servants up to 25. Thus the MLSP will take the opportunity to maintain the human capacity from the SMAEP IA and other projects on a sustainable base as it will appoint the core staff as civil servants within the structure of the DPFIPP. The majority of the staff has around 2-3 years of experience and have attended general and specialized training courses on EU pre-accession and structural funds management according to specially developed and implemented Human Resources Development Strategy.

Furthermore DPFIPP have other 24 people working in the regional structures of the two projects – SMAEP’99 and Vocational Training’00. The people from these regional structures and the whole regional experience will be used in the management and implementation of the future projects. It is envisioned those people to be offered by the Employment Agency to be attached to the Labor Offices and Regional Employment Services which are the EA’s local structures and will be used in the technical implementation of the project.

On the other hand DPFIPP has developed and applied different kind of manuals and procedures for programming coordination, transparency and publicity, clients and partners’ complaints, procedures for reporting, rules for work with the TA, procedures for financial management, procedures for procurement, for contracting and contract amendments, Steering Committees convening, system for monitoring, job descriptions, strategy for human resources development within the directorate. All these documents are part of an Internal Procedures Manual.

All above-mentioned is a part of a grown institutional capacity and confidence within the MLSP and DPFIPP which was confirmed in the KPMG’s final report for “Verifying Phare
IA’s Capacities for Managing Grant Schemes Projects” from September 2002. The report states that “in view of the IA’s track record of similar programs and its experience in managing grant schemes, the Auditor would recommend to the EC Delegation the undertaking of the necessary steps for ‘accrediting’ the MLSP’s IA and waiving the ‘ex-ante’ control, which should however be postponed until implementation of the actions recommended to comply with the minimum criteria, stipulated in Art 12.2 of the EC Regulation 1266/99”.

As far as DPFIPP will act as Phare Human Resources Development Implementing Agency as of January 2003 the technical implementation of the project in the sphere of labor market active measures will be delegated to the Employment Agency. As it is pointed into the EA’s Code of Practice “the EA is “an administration under the Minister of labor and social policy’s jurisdiction responsible for the implementation of the state policy for employment promotion, labor market protection, professional information and consulting, professional and motivating training of unemployed and employed”

EA “GLI” will provide the technical implementation of the project through the established for that purpose PIU.