STANDARD SUMMARY PROJECT FICHE

1. Basic Information

1.1 CRIS Number: BG2004/006-070.05.01
1.2 Title: Ethnic minorities labour market integration
1.3 Sector: Economic and Social Cohesion
1.4 Location: Republic of Bulgaria (selected regions with high proportion of minority population), Ministry of Labour and Social Policy

2. Objectives

2.1 Overall Objectives:
- To contribute to the social and economic integration of disadvantaged minority communities – with a particular focus on Roma - in Bulgaria by implementing targeted active labour market policies in selected geographical areas with ethnically mixed populations;
- Implementation of the measures under the Chapter “Employment” of the Framework Programme for Equal Integration of the Roma in Bulgarian Society and the Action Plan for implementation of this Framework Programme

2.2 Project Purpose:
- To create long term employment opportunities for disadvantaged minority groups in the selected geographical areas through implementing targeted vocational training scheme and targeted business support activities.

2.3 Accession Partnership and National Programme for the Adoption of Acquis (NPAA) Priority

Accession Partnership
In June 2001, Bulgaria presented a revised National Programme for the Adoption of the Acquis (NPAA), in which it outlines its strategy for accession, including how to achieve the priorities of the Accession partnership. A revised Accession Partnership (AP) was adopted in May 2003. Its implementation was reviewed in the 2003 Regular Report on Bulgaria’s progress towards accession to the EU.

Accession Partnership: Take concrete action to implement the Roma Framework Programme with particular attention to providing necessary financial support, significant strengthening the government body in charge of minority issues and ensuring equal access to health, housing, education and social security. Elaborate a concrete action plan and financial framework to the Roma Framework Programme which improves implementation.

The 2002 Regular Report on Bulgaria’s progress towards accession to the EU noted that “concerning the Roma community, little has been done to remedy problems of social discrimination or to take concrete action to improve very poor living conditions”. It is stated in the Report that “as regards human rights and the protection of minorities … very little progress has been made on the further implementation of the Roma Framework Programme”; Also in the Regular Report 2003 it was noted that the situation of the Roma minority has barely improved. In September 2003, an Action Plan for the implementation of the Framework Programme has been adopted including some budgetary support. The Action Plan contains inter alia a range of short term measures in the area of employment.
• NPAA (priority objectives are aimed at meeting the Copenhagen criteria): In the introduction on Integration of Roma Population it is stated that efforts will be made “for fulfilling the obligations of the government on improving the Roma situation and encouraging the tolerance and mutual understanding between the Bulgarian citizens from different ethnic and religious groups.”

NPAA 2002

The Government shall support the implementation of projects for improving the disadvantaged minority communities’ living standards, in addition to housing, education, employment and counselling.

2.4 Contribution to National Development Plan

The National Economic Development Plan (NEDP) is a strategic planning document of the Bulgarian Government to formulate key strategic priorities and a core vision for Bulgaria’s development for the period 2000-2006. It sets out objectives and measures for their attainment (Government commitments; the role of international institutions; anticipated corporate capital; foreign investment; non governmental organisations and local government participation). Regional planning is an integral part of the process of national economic development planning. Sectoral development strategies have been given a regional dimension through the preparation of six Regional Development Plans. The regional planning process has been the result of a top-down and bottom up interaction between central, district and municipal authorities.

The main strategic goal of the country is: “To reach development levels comparable with the most developed EU countries”. The attainment of this ultimate goal requires the achievement of certain intermediate development objectives for the planning period 2000-2006, such as economic growth, compliance with the acquis and reasonable degree of social cohesion.

The NEDP states that aggressive economic growth will cause considerable social strains in various layers of the Bulgarian population. While on average all are expected to be better off, income disparities are bound to grow both in geographical and social terms. Therefore one of the objectives is to ensure that this process of income and living standards differentiation remains within acceptable limits and that not too large a part of the population is left behind socially and economically while Bulgaria is catching up with the rest of Europe.

Minority issues are dealt with primarily under the Operational Human Resources Development Programme. It indicates that Roma minorities have become one of the disadvantaged groups in the labour market and that labour market problems with respect to ethnic groups “can be expected in the programming period”. The NEDP therefore sets as an objective “Encouraging the employment of vulnerable populations … (through) programmes for literacy, qualification and employment; (implementation of the) National Framework Programme for social and economic integration of the Roma people”.

The NEDP states that “Minority distributions are another variable related to regional development and have a strong impact on other variables and problems”. Later, the NEPD states that “Within almost all regions a typical centre-periphery mismatch can be observed. Especially affected are border areas, rural areas, areas with major restructuring of the industrial sector as well as areas with higher concentrations of minorities (e.g. Roma).
This type of disparities requires to be addressed as they put many areas in critical situation and lead to the formation of pockets of poverty, migration and other negative impacts”. The NEDP therefore sets as the second main objective of regional development policy a cohesion priority consisting of “(reducing disparities) in employment, incomes, quality of life and development opportunities in parts of the country …”.

**This project will directly contribute to the objectives of the NEDP in the following ways:**
- Provide vocational training to the unemployed from Roma minority groups in the targeted geographical areas, thus ensuring that human resources meet market requirements and consequently, reducing unemployment among disadvantaged groups;
- Provide business support to Roma minority groups in the targeted areas in order to encourage economic development and consequent growth of job opportunities;
- Support access to temporary employment to the long-term unemployed from Roma minority groups in the targeted areas, thus supporting their integration into the labour market.

### 2.5. Contribution to the implementation of the Government’s Programme

The Government’s strong commitment to tackle minority issues is reflected in its Programme issued on the 2nd of November 2001. The Programme sets as a priority the integration of minorities in Bulgarian society and the development of the Bulgarian ethnic model.

The Government has made considerable progress in the implementation of its Programme. In this respect a working group for the elaboration of a draft comprehensive law on the prevention of discrimination was established by the National Council on Ethnic and Demographic Issues (NCEDI) and the Ministry of Labour and Social Policy (MLSP) in the middle of March 2002. The draft anti-discrimination legislation was approved by the Council of Ministers in September 2002 and submitted to the Parliament. It was approved by the relevant parliamentary committees by the end of 2002 and finally adopted in September 2003. The law aims at reaching a large degree of alignment with the acquis and introduces a system of sanctions. It envisages the establishment of a Commission for the protection against discrimination as an independent body. The Commission will appoint permanent panels, dealing amongst others with ethnic and racial discrimination. The adoption by the Parliament of the anti-discrimination legislation was facilitated by the Phare 2001 twinning light project.

The first National Report on the implementation of the Framework Convention for the Protection of National Minorities was also finalized and approved by the Council of Ministers in February 2003.

The Government’s social policy is outlined in its new Social Policy Strategy, which was adopted in 2002. The Government’s overriding priority is to sustain and promote employment by creating the necessary conditions to increase employment opportunities, reduce poverty and eradicate social exclusion, which remains a persistent feature of a still unfavourable economic environment. The Strategy further aims at ensuring permanent employment through creation of new jobs in micro-enterprises and promotion of more opportunities for self-employment. The Strategy stipulates that it is necessary to implement programmes encouraging entrepreneurship, especially in the sector of traditional local crafts and manufactures, by optimising the opportunities offered by the Business Centres and Business Incubators established under the MLSP/UNDP “Job Opportunities through Business Support” (JOBS) Programme.
The main programmes supporting the Government’s Strategy in this area are:

- **“From Social Assistance to Employment”**

  One of the cornerstones of the Government’s employment promotion policy is the large-scale programme “From Social Assistance to Employment”. The programme is based on the premise that a growing share of the working age Bulgarian population is unemployed and relies on social assistance (166,998 people in 2001 as opposed to 117,456 in 1999). The negative consequence of this situation is widespread demotivation to work and loss of working habits. The objective of the programme is to offer subsidized employment to unemployed disadvantaged people in the labour market in order to reintegrate them among the active labour force and to restore their work capacity and motivation. The programme directly targets the disadvantaged minority groups, which constitute the bulk of the working age unemployed population benefiting from social assistance.

  The programme has a budget of EURO 111 million for 2003, with expected Government allocations of EURO 77 million and EURO 55 million for 2004 and 2005 respectively. These resources will subsidize, for a period of at least 9 months, the salaries and social security contributions of people who have been on social assistance. They will be hired by the municipal administration, municipal, state or private firms and NGOs on the condition that they are engaged in non-profit, socially beneficial activities.

  It is expected that through this programme 100,000 jobs will be created in 2003, with 70,000 in 2004 and 50,000 in 2005.

- **“Job Opportunities through Business Support” (JOBS) Programme**

  The JOBS Programme is implemented by the MLSP with the substantive and technical support of UNDP and has a budget of USD 15,351,000. The goal of the programme is to support the creation of long-term jobs on a local level.

  The JOBS programme has established and strengthened 24 Business Centres and 11 Business Incubators predominately in communities with significant Roma population or structural unemployment. Ten new Business Centres will be established and fully functioning in the period 2003 – 2005. A Leasing scheme (4.7 million USD) was formulated that by the end of 2002 has distributed leases at total value of USD 1 million to local businesses. Strategies for growth were developed for economic sectors with exceptional competitive advantages, such as herbs & spices, apparel & textile, wood processing & furniture, tourism, alternative agriculture and handicrafts. The network of Business Centres has assisted businesses in making contacts, selling their products and in finding financing, with the ultimate result of creating or sustaining employment. The results achieved under the programme for the period 2000 – 2002 are as follows: over 5,600 direct and indirect sustainable long-term jobs were created; services were provided to 5,725 companies and a total of 5,490 people were trained, including 1,510 under the Start-Your-Business program.

- **“Alternative Agriculture Programme in the Rhodopes Region”**

  The Government is also stepping up its efforts to promote a more balanced regional development. In particular, the Government announced in early November 2002 the launching of a major “Alternative Agriculture Programme in the Rhodopes Region”. That is one of the most backward regions of the country and has a high proportion of
Turkish ethnic population as well as “Pomak” population (Moslem ethnic Bulgarians). The Rhodopes region is one of widespread poverty and unemployment due to the decline/closure of mining activities, lack of investment and the shrinking markets for tobacco, which is the main agricultural product grown in this region. The programme will start in 2003 and aims at transforming the Rhodopes region from a backward to an attractive part of Bulgaria before the country’s accession to the EU. The programme envisages the restoration of traditional agricultural crops and introduction of new alternative products. The programme includes supporting animal breeding activities as well as eco-tourism. The total investments envisaged under the programme amount to over EURO 50 million over a 5 year period.

The proposed project will be in full support of the Government policies outlined above and the specific programmes that constitute the mechanisms for their implementation. In this, it will form an integral part of the coherent efforts of the Government to achieve concrete results in the field of employment promotion with a specific focus on ethnic minorities. At the same time it will be complementary to the activities of the institutions concerned. The project also will step on the lessons learnt and the expertise acquired under the above-mentioned programmes. The innovative approaches envisaged under the project will bring added value to the existing Governmental programmes by further developing their capacity to enhance the employability of the Roma people.

2.6. Contribution to the implementation of the Framework Programme/Action Plan for Equal Integration of Roma in Bulgarian Society

This project will also implement part of the recommendations of the Framework Programme for Equal Integration of Roma in Bulgarian Society adopted in 1999 which, as indicated above, is a short and medium term priority in the Accession Partnership. In particular, the project will implement training and employment programmes in line with the needs of the labour market, while taking into account the particular traditional working and vocational attitudes prevalent in the respective Roma groups (section 2.1. “Employment” of the Framework Programme). The project will also establish a mechanism to provide business advice and support to those Roma wishing to start a business activity or to expand and improve existing concerns (section 2.1. “Employment” of the Framework Programme).

2.5 Cross Border Impact:
No direct cross-border impact is foreseen.

3. Description

3.1 Background and Justification:

The Bulgarian society is multi-ethnic. As per the 2001 census, of the total Bulgarian population of 7,973,673, some 4.6% (358,815) identified themselves as Roma and 9.5% (757,499) declared to be of Turkish ethnic origin on a 2% representation basis. According to expert estimations, however, the number of Roma is in reality between 700,000 and 800,000.

The political and economic reforms initiated in 1990 were accompanied by sharp falls in economic activity and a sharp increase in unemployment and poverty. The social impact of reforms in Bulgaria was particularly high compared to other Central and Eastern European
countries due to frequent political changes and capacity shortfalls in developing effective national and macro-economic policies in relation to the restructuring of the economy. Unemployment and poverty particularly impacted the Roma minorities. The concentration of those minorities in certain areas and in declining economic activities resulted in the emergence of pockets of severe unemployment and poverty in numerous rural areas and in many Bulgarian towns. The Roma neighbourhoods (mahali) of many Bulgarian towns, where at least 600,000 Roma live (according to expert estimations), have gradually transformed into informal settlements. Several rural areas of Bulgaria are also characterized by compact concentrations of Roma in isolated small villages, which are to a large extent disconnected from Bulgarian society. According to a representative sociological survey carried out by the International Centre for Minority Studies, 48% of the Bulgarian ethnic Roma population in 1994 lived in rural areas.

Over the last ten years, the rates of unemployment among Roma have been systematically higher than those for ethnic Bulgarians. In 2001, 31.1% of the total numbers of unemployed in Bulgaria were of Roma ethnic origin. Compared with ethnic Bulgarians, the unemployment rate among the Roma is 77% (World Bank, 2002). The deteriorating social condition of the Roma is reflected by the fact that in 1992 only 30% of them relied on social assistance. In 1994, this figure reached 45%, while in 2001 it peaked at 60% (MLSP, 2002).

The results of a recently conducted survey (“From Social Assistance to Employment” – Ministry of Labour and Social Policy Survey, January 2003) carried out among the Roma population show that the prevailing part of this group is not professionally oriented. They often do not have a clear idea about the profession they would like to have and usually choose professions that require low or no qualification and are related to the Roma traditions. The prevailing part of the Roma population assigns greater value to obtaining vocational skills than education. For 30% of the respondents, obtaining a profession is the first and most important condition for finding a job. As for professions requiring specific skills, these include construction workers, welders and turners, drivers, farmers, carpenters, barbers and plumbers for the men, and sewing, cooking and hair dressing for the women.

Therefore the main solutions related to professional orientation and qualification would come through the provision of training courses in professions that require mostly specific production skills and a low level of literacy. Positive results are expected from training courses that combine training with employment, like apprenticeships.

According to the survey, Roma NGOs play an important role as intermediaries between the local authorities, businesses and the Roma community. Their primary function will be to identify people with a certain level of education and qualification, especially people without certificates to prove their skills. The objective will be to include such persons in training courses or apprenticeships.
According to data from the National Statistical Institute on the last national census in 2001, the Bulgarian districts with highest share of Roma population are:

- Sliven – 13.5%
- Montana – 10.7%
- Dobrich – 9%
- Shumen – 8.1%
- Stara Zagora – 7.2%
- Pazardjik – 7.0%
- Haskovo – 5.9%
- Sofia – 5.8%
- Vratza – 5.2%
- Bourgas – 5.2%
- Rousse – 4.2%
- Blagoevgrad – 4.2%
- Plovdiv – 3.9%

The project activities will target the regions that have the highest share of Roma population (as the emphasis of the project is on Roma) as these regions will be approved by the PIU prior to project commencement. The data will be taken from the National Statistical Institute, mentioned above.

Minority problems have always been a concern for the Bulgarian authorities due to evident humane and moral considerations. However, since the country’s invitation to join the EU in 1999, the matter has taken an additional dimension related to Bulgaria’s need to meet the Copenhagen criteria for accession. While since 1999 the Bulgarian authorities have taken some positive steps towards improving the situation of the minorities, the EC Regular Reports for Bulgaria consistently highlight the need for further efforts to improve the social condition of minorities and to protect minority rights in order to meet the criteria for membership.

The 2001 EC Regular Report for Bulgaria states that the Accession Partnership priorities are only partially met and that the Roma continue to suffer from social discrimination due to the accumulation over time of factors that have worsened their living conditions. The Report also notes that further efforts are needed for the socio-economic integration of those ethnic Turks who live in economically underdeveloped regions. The EC Regular Report for Bulgaria (2002) again states that the Accession Partnership priorities are only partially met and that the Roma continue to suffer from social inequalities, limited participation in education, segregated schools with low-quality education and poor facilities. The Report stresses that efforts need to be made to combat segregation and to encourage integration. The Regular Report 2003 stresses that “while further progress can be reported in meeting the priorities relating to respect for human rights and protection of minorities, efforts are still necessary”.

This project directly addresses the social and political issues mentioned above. The project is particularly sensitive in its component related to the Roma community given that its implementation will have to avoid fostering further segregation of this group. The project will thus follow the “Guiding Principles” established by the EU, OSCE and the Council of Europe.

3.2 Linked Activities:

- MATRA/Government of the Netherlands 1998 (US $ 1,315,000/ongoing):
  Integrated project for Roma community change aiming at promoting sustainable development of Roma low income communities through stimulating their involvement in local decision making.
- Phare 1999 – BG 9907 (EURO 500,000/ongoing) – Promoting the integration of the Roma.

The project has three components: 1) an education component in favour of the Roma to support their social and economic integration; 2) a component aiming at increasing Roma participation in the State Administration; 3) a component aiming at improving living conditions in Roma quarters. The latter includes an amendment of the general town-planning scheme as well as architectural design, structural engineering, electrical power, sewerage system and water supply in two pilot areas: Stara Zagora and Pazardjik.

- Phare 1999/UNDP – BG 9914 (EURO 6,000,000/completed) – Beautiful Bulgaria II: Temporary Employment and Vocational Training Scheme.

The project, implemented with the support of UNDP, provided temporary employment to long term unemployed. On average, some 30% of those provided with temporary employment were of ethnic minority origin. In areas with concentrations of minorities, this figure reached over 40%.

- World Bank IDF Grant 2000 (US $ 500,000/ongoing) – Integration of Ethnic Minorities.

The components of the project are the following: 1) Minority policy development, monitoring and evaluation; 2) NCEDI capacity building; 3) Public awareness and partnership development.

- UNDP/Bulgarian Government 2000 (EURO 25,000,000/ongoing) – Beautiful Bulgaria III: Temporary Employment and Vocational Training Scheme.

The project is an extension of Beautiful Bulgaria II. It is essentially Government funded and implemented with the support of UNDP. Same activities as Beautiful Bulgaria II (see above) with similar results in terms of minority employment generation.


It is essentially Government funded and implemented with the support of UNDP. The programme demonstrates a replicable model for the stimulation and creation of micro and small enterprises. The programme has established 24 business centres/incubators located in 24 municipalities throughout Bulgaria. The centres provide a wide range of consultancy, training, and financial services, including financial leasing, in favour of existing or to-be-created businesses. Minorities are among the target groups of the project.

- Phare 2001 – BG 0104.01 (EURO 2,325,000/ongoing) – Roma Population Integration.

The project has three components: 1) Introduction of new educational programmes in order to ensure better integration of Roma children (the Terms of Reference are under preparation by the NCEDI and the Ministry of Education and Science); 2) Formulation of an anti-discrimination law and regulations for its implementation (Twinning light - the NCEDI drafted and submitted the Terms of Reference to the EC Delegation in December 2001. They were approved and submitted to the CFCU for tendering); 3) Bridging
activities that aim at increasing opportunities for young Roma to become civil servants, developing public awareness strategy and positive images campaign.

- **Phare 2001 – BG 0104.02 (EURO 1,100,000/ongoing) – Ensuring Minority Access to Health Care (the beneficiary is the Ministry of Health).**

  The project involves the creation of a sustainable Roma health promotion scheme, improved access to health care in 15 towns and health issues awareness campaigns directed to the Roma community.

- **Phare 2001 – BG 0102.06 (EURO 4,863,000/ongoing) – Social Inclusion (the beneficiary is the Ministry of Labour and Social Policy).**

  Out of this budget: 1) EURO 966,000 is for the development of Roma information and cultural centres, literacy and numeracy training for Roma minorities; 2) EURO 1,333,000 is for job creation programmers for Roma minorities.

- **Phare 2002/UNDP – BG 0204.01 (EURO 6,000,000/starting in 2003) – Urbanisation and Social Development of Areas with Disadvantaged Minority Populations.**

  The project objectives are to improve access to public services and reduce unemployment of minority communities in the target areas by: 1) building public technical and social infrastructure, including public utility infrastructure (water supply and sewerage systems, electricity network), street infrastructure, a kindergarten and a community centre; and 2) implementing a vocational training and temporary employment scheme as well as a pilot business support initiative.

- **Bulgarian Government (EURO 10,000,000/ongoing) micro-credit/loan guarantee scheme**

  The Government established a micro-credit scheme with a loan guarantee fund in late 2001. This scheme provides loans at lower than the market interest rate to candidates. The scheme provides also interest free loans to disadvantaged groups.

- **World Bank (EURO 50,800,000)**

  In January 2003, the Government signed a loan agreement with the World Bank for the establishment of a Social Investment Fund (SIF).

3.3 Results:

The following results are expected to be achieved:

**Component 1 – Technical Assistance:**

- Public awareness campaign for promotion of the project;
- Developed operations manual and guidelines for applicants for the Grant scheme;
- Carried out promotional campaign of the Grant scheme.
Component 2 - Grant scheme for establishment of Support Centres:

- At least 5 Agricultural Support Centres established;
- At least 5 Crafts Support Centres established;
- 1,000 people from minorities provided with business training and consultancies for business start-up support;
- 2,000 long-term unemployed from minority groups provided with vocational training in marketable craft skills and/or agricultural skills;
- 10 sets of training materials adapted to people with limited education (general entrepreneurship, i.e. start-ups, financing, information sources, and specific agricultural subjects such as general farming, gardening, different crops growing, herbs growing, animal breeding, etc.);
- 600 beneficiaries from minority groups, provided with vocational training, find temporary employment;
- 300 beneficiaries from minority groups, provided with vocational training, become self-employed or find permanent employment in the private sector.

3.4 Activities

The project activities will target the regions that have the highest share of Roma population (as the emphasis of the project is on Roma) as these regions will be approved by the PIU prior to project commencement. The data will be taken from the National Statistical Institute, mentioned above.

The project activities will be preceded by a PPF financed project that will contribute to the current project results and objectives by conducting a survey. The surveys under the PPF will be concentrated in the above mentioned regions with highest concentration of Roma population and as a final result the PPF will come up with suggestions for the target regions in which the grant scheme will be launched.

The main objective of the survey, conducted under the project will be to analyse the supply and demand for labour in area with mixed population, Roma population perceptions and attitudes, quality of skills, baseline data, available support infrastructure in the targeted municipalities, and supply and demand for agricultural and crafts products and services. The survey conducted under this project will be providing inputs for designing Governmental strategies and policies for labour market initiative targeting Roma population. They will also contribute to avoiding overlapping with existing programmes and initiatives within Phare, SAPARD and other bi-lateral and multilateral donors’ support. The survey will comprise several separate sections as follows:

(a) Baseline Survey

The survey will make an assessment of:
- Demographic picture of Roma population;
- Educational and vocational background of the target group;
- Employment/unemployment status;
- Household incomes;
- Entrepreneurial spirit and attitudes of the Roma population;
- Readiness of Roma population to get involved in farming, herbs cultivation and crafts production and services.
(b) Sector Surveys on the Crafts and Targeted Farming Products
The PPF project will conduct two market surveys – one in crafts and one in targeted farming products in order to identify the supply and demand for targeted agricultural products (nationwide) and crafts products and services (target regions-based), and identify market niches. The surveys will:

- Make an assessment of the supply – pricing, distribution channels, main producers, etc;
- Make an assessment of the demand of agricultural and crafts production in the selected districts – market size, consumer preferences;
- Identify potential market niches, based on the potential of the above mentioned regions with highest share of Roma population.

(c) Survey on Roma Crafts and Farming Experiences
The PPF project will conduct a survey and analysis of past and existing experiences of Roma minorities in crafts and farming. The survey will make assessment of:

- Experiences of Roma families in traditional crafts;
- Best practices of Roma farmers in Montana, Rousse, Pazardjik and some other regions in the country;
- Propensity of young generations to overtake family traditional crafts and farming specialisation;
- Additional skills needed to perform these activities and make them marketable.

(d) Survey on the Existing Farming and Crafts Support Infrastructure
This survey will focus on identification of:

- Land availability in the above mentioned regions with highest share of Roma population and readiness of the municipal administrations to provide arable land free of charge;
- Availability of appropriate premises for the needs of the Agricultural and Crafts Centres activities;
- Infrastructure analysis of the Vocational and Education Training institutions, as well as other business support institutions in the field of crafts and farming;
- Readiness of the municipal administration to provide free-of-charge premises for the establishment of Agricultural and Crafts support centres.

The findings of the surveys will contribute to identifying the training needs of the target groups in crafts and farming so that these needs match the market demand. They will be used for development of the training curricula, selection of training materials most suitable for the specificity of the target groups and will provide expertise based on best practice and synergy with available government and different donors’ support. The surveys will also be a guiding tool for the setting up of the Centres.

The survey is envisaged to be completed prior to project activities commencement through the financial support of PPF.
Component 1 – Technical Assistance

Project objectives and results will be achieved through TA support. The most important activities that are expected to be set out in the TA contract will be:

Public awareness campaign:
The campaign will be conducted by the TA with the support of the PIU. The public awareness campaign is aimed at promotion of the project nationally and locally for raising public awareness on minority issues and problems and publicizing the efforts of the Government to deal with them.

Promotional campaign will utilize tools such as issuing of brochures, booklets, radio and TV releases, production of short films for promotion of different business opportunities, best practices, etc. Furthermore a large number of promotional seminars in different topics will be conducted in the different regions.

Preparation of Grant scheme:
Development of guidelines for grant applicants;
Organization and conduction of the awareness campaign related to the grant scheme implementation.

Component 2 - Grant scheme for establishment of Support Centres

The grant scheme will be launched in the target regions which will be defined by the PIU following suggestions from the PPF surveys.

The Grant scheme will be available for consortiums of organizations including licensed training providers, NGOs, Roma organizations, municipal authorities, etc. Detailed eligibility criteria and Guidelines for applicants for the implementation of the Grant scheme will be elaborated by the TA in cooperation with the PIU before the start of the activity. A call of proposals will be opened for the potential applicants and an Evaluation Committee will evaluate the submitted applications. The awarded applicants will have to assure the execution of the following activities:

- Renovation of existing buildings in the target regions;
- Procurement of appropriate equipment;
- Development of curricula that will be designed in such a way to best respond the educational level of the target group;
- Provision of training.
The Grant scheme will support the establishment of two types of centres:

1. **Agricultural support centres**

The idea for development of agricultural support centres is based mainly on the successful farming and herbs cultivation experiences in the Montana and Russe districts where nearly 200 Roma families make their living by farming and herbs growing. Herbs sector is an appropriate vehicle to assist minority groups (such as Roma) due to the fact that there is a growing demand for herbs growing and available infrastructure for marketing support of these products. These experiences were reported by the Phare consultants who conducted the labour market analysis in four planning regions and made recommendations for projects BG 0102.06 and BG 0102.05.

This activity is in line with the latest changes in the Social Assistance Law. Under the previous legislation, the payment of social assistance to people provided with land by the State was suspended. Under the amended Social Assistance Law, these people continue to get social assistance for a period of one year. The idea is to enable them to have means of subsistence until they generate revenues from farming. In addition, the new changes in the Employment Promotion Law envisage that people provided with land, after defending a business plan, will receive grants to purchase seeds and agricultural tools/equipment.

The expected functions of the Agricultural Support Centres will be as follows:

- Providing agricultural information;
- Training start-ups and established farmers;
- Providing advice and consultancy;
- Marketing support;
- Assisting farmers to participate in SAPARD projects (training, business planning, information);
- Intermediary between the municipality, agricultural producers, farmers associations;
- Networking with similar centres and other business support centres;
- Organization of farmers’ exhibitions.

The centres’ facilities and services will be available to all minority and disadvantaged groups on the local labour market.

The Agricultural Support Centres will conduct vocational training courses that will cover such topics as:

- Courses in general farming skills;
- Courses focused on the specific crops growing practices;
- Training on how to properly cultivate herbs in a sustainable and effective manner.

For the conduction of the vocational training courses special training curricula will be developed in such a way to best respond the educational level of the target group. Additionally the target groups included and participated in the vocational training will be supported to develop entrepreneurial skills and to start their own business.

The specialised training to the needs of the Roma population is not duplicating available facilities through the Vocational Training Measure of SAPARD Programme, since it is open to registered farmers which are not the case with the Roma population. The present project aims to develop skills which to facilitate the transformation of the seasonal employment of Roma into a sustainable income generation activities within a year or two.
The minimum amount of an individual grant will be 50,000 euro and the maximum amount a single grant – 150,000 euro. It is expected at least 5 Agricultural Support Centres to be established under this project.

The successful grant applicants will be expected to provide 10% co-financing from the cost of the individual grant.

2. Crafts support centres

The objective of the centres will be to facilitate crafts development among Roma population.

The expected functions of the Crafts Support Centres will be as follows:
- Providing relevant information;
- Training start-ups and established craftsmen;
- Advice and consultancy;
- Intermediary services;
- Networking with similar centres and other business support centres;
- Organization of craft fairs.

The following training courses in crafts skills will be organised by the Crafts support centres for representatives of minorities:
- Vocational training courses in specific production area;
- Vocational training courses in acquiring apprenticeships skills;

For the conduction of the vocational training courses special training curricula will be developed in such a way to best respond the educational level of the target group. Additionally the target groups included and participated in the vocational training will be supported to develop entrepreneurial skills and to start their own business.

The canters’ facilities and services will be available to all minority and disadvantaged groups on the local labour market.

The minimum amount of an individual grant will be 50,000 euro and the maximum amount a single grant – 150,000 euro. It is expected at least 5 Crafts Support Centres to be established under this project.

The successful grant applicants will be expected to provide 10% co-financing from the cost of the individual grant.

The sustainability of the Agricultural Support Centres and the Craft Support Centres will be guaranteed by the NGO sector in close co-operation with the local authorities. After the end of the project these centres will be run by the NGOs and they will act on an economic base and will provide more services. The successful applicant should guarantee the sustainability after the completion of the project activities. The financial sustainability will be sought by providing of paid services and applying for programmes and projects.
3.5 Lessons Learned

The following lessons learnt have been recognized by the Ministry of Labour and Social Policy during the implementation of a number of specific projects in different communities targeted at employment promotion. These initiatives include: the National programme “From Social Assistance to Employment”, the Beautiful Bulgaria Programme, the JOBS programme.

- Building capacity for local institutions is essential for the sustainability of the project;
- Introducing innovative practices and mechanisms should be implemented with the full understanding and support of the local community;
- Involving Roma organizations in the implementation of the project ensures the credibility between the implementing institutions and the target groups and commitment to achieving the project goals;
- Introducing labour promotion measures should be demand driven and should apply a bottom up approach to ensure maximum outreach;
- Creating business support organizations should consistently take into consideration the local reality and the specific needs of the community it serves, from the design of the organization to its actual functioning and long term development;
- Enhancing synergies between different projects within the same area of intervention considerably improves the overall effectiveness and impact of all projects.

4. Institutional Framework

The key parties in the project management and implementation are the MLSP, the regional representatives of MLSP (established in 2003 in the 28 regions), the Employment Agency and its regional structures – Regional Employment Service Directorates (RESDs) and Labour Office Directorates (LODs).

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 Programme in social and human resources development sector.

The MLSP will manage and administrate the project through the Programme Authorizing Officer (PAO) and the Directorate “Pre-accession Funds, International Programs and Projects” (DPFIPP). The Directorate “PFIPP” will act as administration of the IA / PAO.

The day-to-day management of the project will be entrusted to a PIU.

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

Project Steering Committee
The PSC is a policy and decision making body. The main functions of the PSC are as follows:

- Approval of the survey results;
- Recommendations for the improvement of the project implementation;
- Counselling concerning problem issues.
The membership of the PSC will include representatives of the following organizations: MLSP, EA, Ministry of Finance, “European Integration and Relations with International Financing Institutions” Directorate within the Council of Ministries, Ministry of Foreign Affairs, Ministry of Agriculture, National Council for Ethnic and Demographic Issues. The PSC will be chaired by representative of the MLSP.

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. The PSC will take its decisions with simple majority.

**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 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.

**PIU**

The technical implementation and day-to-day administration of the project will be a responsibility of the established PIU. The PIU will comprise experts from the MLSP and the EA and will be situated at MLSP.

**Technical Assistance**

The Technical Assistance under the project will be in charge of the preparation of the main operational documentation such as Operations Manuals, Guidelines for Applicants and other project related documentation. All these documents will be worked out based on the previous Phare projects implemented by MLSP. Moreover the TA will provide assistance and guidance to the MLSP, the PAO and the PIU for complicated management and implementation issues.

### 5. Detailed Budget (in MEUR)

<table>
<thead>
<tr>
<th></th>
<th>Phare Support</th>
<th>in M EUR</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Investment</td>
<td>Institution Building</td>
</tr>
<tr>
<td><strong>Component 1 - TA</strong></td>
<td>2.0</td>
<td>0.2</td>
</tr>
<tr>
<td><strong>Component 2 - Grant Scheme</strong></td>
<td>0.66</td>
<td>2.0</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>2.0</td>
<td>0.2</td>
</tr>
</tbody>
</table>
6. Implementation Arrangements

6.1 Implementing Agency

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

The PAO will be:
Mr Roumen Simeonov
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: rsimeonov@mlsp.government.bg

Due to the complexity of the project, i.e. diversity of interventions in several areas of the country characterized by a difficult situation (social etc) which may lead to more difficult project implementation conditions and involving a grant scheme, the period for execution of contracts will be extended by one year to 30 November 2008. Previous experience with comparable projects in this sector justifies such an approach. Grant schemes are still relatively new in Bulgaria.

6.2 Twinning: NA

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

6.4 Contracts

<table>
<thead>
<tr>
<th>Type of contract</th>
<th>Project component</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service contract</td>
<td>Component 1 - Technical Assistance</td>
</tr>
<tr>
<td>Grant scheme</td>
<td>Component 2 - Grant scheme</td>
</tr>
</tbody>
</table>

7. Implementation Schedule

7.1 PPF completed by February 2005
7.2 Target regions defined – February 2005
7.3 Commencement of the project (organizational arrangements completed) - January 2005
7.4 Start of tendering for TA – January 2005
7.5 Start of call of proposals – October 2005
7.6 Start of project activities under the grant – March 2006
7.7 Project completion - November 2007

8. Equal Opportunity

The project will ensure that equal opportunities are provided to women both in the management of the project and in its employment promotion activities.

9. Environment N/A
10. Rates of return  N/A

11. Investment criteria

11.1 Catalytic effect:

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

- Support to the implementation of the Government’s programme and its Social Policy
- Support the implementation of the Framework Programme for the Equal Integration of Roma in Bulgarian society

11.2 Co-financing:

The investment component of the program is based upon co-financing between Phare and the National Government on a 75:25 basis. An additional co-financing at the amount of 10% from the cost of the individual grant will be expected in terms of contribution from the successful grant applicants. The co-financing of the successful applicants will be in accordance with the State Aids provisions of the European Agreements.

11.3 Additionality:

EU financing will be additional to that allocated to the national scheme through the Bulgarian national budget.

11.4 Project readiness and Size:

The overall project size is 2.86 MEUR (including national co-financing). Project preparation taking in to account experience from other similar schemes has been undertaken by the Ministry of Labour and Social Policy, assisted as required by the EC Delegation in Sofia. More detailed work on the grant scheme component will be carried out under the TA component of the project as set out above.

11.5 Sustainability

The sustainability of the established under the project Agricultural Support Centres and Crafts Support Centres will be guaranteed by the local authorities in close co-operation with the NGO sector, which will completely overtake them after the end of the project.

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 Contribution to National Development Plan

See item 2.4
12. Conditionality and sequencing

Conditionality

- The PPF results need to be delivered before start of the Grant Scheme preparation
- The MLSP/EA will make available, free of charge, suitable premises to host the PIU and the TA

Key milestones in project implementation:

- Establishment of PSC and PIU - by December 2004;
- Selection of pilot regions by the PIU – completed prior to project commencement;
- Signing of contract with the TA;
- Call for proposals and entry into the contracting phase under the grant scheme;
- Implementation of activities;
- Final Evaluation Report.

Annexes to the Project Fiche

Annex 1 – Logframe Planning Matrix for the project
Annex 2 - Implementation Chart
Annex 3 – Contracting and disbursement Schedules
Annex 4 – Reference to relevant Government Strategic Plans and Studies
Phare log frame

<table>
<thead>
<tr>
<th>Overall objective</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
</tr>
</thead>
<tbody>
<tr>
<td>To contribute to the social and economic integration of disadvantaged minority communities in Bulgaria by implementing targeted active labour market policies in selected areas with ethnically mixed population; Implementation of the measures under the chapter “Employment” of the Framework Programme for Equal Integration of the Roma in Bulgarian Society.</td>
<td>Unemployment among the targeted minority communities reduced in the years 2005-2007</td>
<td>External Evaluation of the Project; Data from the National Employment Agency; Report on the implementation of the Framework Programme, which will be prepared by the Agency for Minorities in 2006 and 2007 (successor of the NCEDI); EC Regular Report for Bulgaria (2006/2007).</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Project purpose</th>
<th>Objectively verifiable indicators</th>
<th>Sources of Verification</th>
<th>Assumptions</th>
</tr>
</thead>
<tbody>
<tr>
<td>To create long term employment opportunities for disadvantaged minority groups in the selected geographical areas through implementing targeted vocational training scheme and targeted business support activities</td>
<td>600 people from minority groups provided with vocational training find temporary employment; 600 people from minority groups provided with vocational training become self-employed or find permanent employment in the private sector one year after completion of project activities;</td>
<td>Regular project monitoring reports; External Evaluation of the Project; Data from the Local Labour Offices published every month.</td>
<td>Favourable economic conditions for business start-up/expansion prevail; Efficient project co-ordination between all parties is ensured.</td>
</tr>
<tr>
<td><strong>Results</strong></td>
<td><strong>Objectively verifiable indicators</strong></td>
<td><strong>Sources of Verification</strong></td>
<td><strong>Assumptions</strong></td>
</tr>
<tr>
<td>-------------</td>
<td>--------------------------------------</td>
<td>-----------------------------</td>
<td>-----------------</td>
</tr>
<tr>
<td><strong>A) Technical Assistance</strong></td>
<td>• Public awareness campaign; • Guidelines for applicants; • Promotional campaign;</td>
<td>• Regular reports from the PIU; • Documentation for the training courses held; • Documentation for the employers; • Ongoing project monitoring; • Data from the Labour Offices; • Project data-base; • Ex post evaluation from external auditors</td>
<td></td>
</tr>
<tr>
<td>• Public awareness campaign for promotion of the project; • Developed operations manual and guidelines for applicants for the Grant scheme; • Carried out promotional campaign of the Grant scheme;</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>B) Grant scheme for establishment of Support Centres</strong></td>
<td>• Number of support centres operational; • Number of long-term unemployed from minority groups provided with vocational trainings in craft skills and/or agricultural skills; • Number of people from minorities provided with business training and consultancies for business start-ups; • Number of training materials adapted to people with limited education.</td>
<td></td>
<td></td>
</tr>
<tr>
<td>• At least 5 Agricultural Support Centres established; • At least 5 Crafts Support Centres established; • 1,000 people from minorities provided with business training and consultancies for business start-up support; • 2,000 long-term unemployed from minority groups provided with vocational training in marketable craft skills and/or agricultural skills; • 10 sets of training materials adapted to people with limited education (general entrepreneurship, i.e. start-ups, financing, information sources, and specific agricultural subjects such as</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
general farming, gardening, different crops growing, herbs growing, animal breeding, etc.);

- 600 beneficiaries from minority groups, provided with vocational training, find temporary employment;
- 300 beneficiaries from minority groups, provided with vocational training, become self-employed or find permanent employment in the private sector;

<table>
<thead>
<tr>
<th>Activities</th>
<th>Means</th>
<th>Assumptions</th>
</tr>
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<tbody>
<tr>
<td>A) Technical Assistance</td>
<td></td>
<td>• Government funding for the project is approved and made available on time;</td>
</tr>
<tr>
<td>Conduction of public awareness campaign</td>
<td>Service contract</td>
<td>• Eligible organizations willing to apply for the service contract under the project;</td>
</tr>
<tr>
<td>Preparation of Grant scheme documentation</td>
<td></td>
<td>• Eligible consortia willing to participate in the grant scheme.</td>
</tr>
<tr>
<td>B) Grant scheme for establishment of Support Centres</td>
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<td>Preconditions</td>
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<tr>
<td>Establishment of Agricultural Support Centres</td>
<td>Grant scheme</td>
<td>• Phare funding</td>
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<td>Establishment of Crafts Support Centres</td>
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<tr>
<td>Conduction of vocational training courses in the Support Centres</td>
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## ANNEX 2

### Implementation Chart – ETHNIC MINORITIES LABOUR MARKET INTEGRATION

<table>
<thead>
<tr>
<th>Components</th>
<th>2004 Q4</th>
<th>2005</th>
<th>2006</th>
<th>2007</th>
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<td></td>
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<td>J J A S O N D</td>
<td>J F M A M J J A S O N D</td>
<td>Q1 Q2 Q3 Q4</td>
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<td>Surveys under PPF</td>
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<td>Operational PIU</td>
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<td>X X X X X X X X X X X</td>
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<tr>
<td>Procedures for TA selection and contracting</td>
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<td></td>
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<tr>
<td>TA</td>
<td></td>
<td>X X X X X X</td>
<td>X X X X X</td>
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<tr>
<td>Call for proposals for the grant scheme under the project</td>
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<td>Grants execution</td>
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<td>Monitoring</td>
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<td>X X X X X</td>
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<td>Final Evaluation</td>
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## ANNEX 3

### CONTRACTING AND DISBURSEMENTS SCHEDULES – ETHNIC MINORITIES LABOUR MARKET INTEGRATION

Figures in MEURO

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<th>Date</th>
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<th>30/09/05</th>
<th>31/12/05</th>
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</table>
ANNEX 4
REFERENCE TO RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES

1. Accession Partnership
2. National Program for the Adoption of Acquis (NPAA)
3. National Economic Development Plan
4. Framework Programme for Equal Integration of the Roma into Bulgarian Society
5. Government’s Program 2001 on Priority Fields
8. Joint Assessment Paper of Employment Priorities in Bulgaria