

Standard Project Fiche

1. Basic Information

- 1.1 CRIS Number (Year 2): **BG 2005/017-353.10.01**
- 1.2 Title: **Human Resources Development and Promotion of Employment**
- 1.3 Sector: Economic and Social Cohesion
- 1.4 Location: BULGARIA
- 1.5 Duration
 - Phase 1 – Financing Memorandum 2004
 - Phase 2 – Financing Memorandum 2005
 - Phase 3 – Financing Memorandum 2006

2. Objectives

2.1 Overall Objective(s):

- To advance Bulgaria's labour market transformation and to make progress in adapting the employment system so as to be able to implement the European Employment Strategy and to prepare for accession to the EU.

2.2 Project purpose:

- Development of an effective system of labour market needs analysis and the promotion of more effective active labour market policies;
- Development and implementation of an effective strategy and framework for Lifelong learning incorporating reform of the VET system (IVET and CVT) as well as further implementation of the adult learning strategy.

2.3 Accession Partnership (AP) and NPAA priority (and implementing measures envisaged by the Action Plan for AP priorities related to strengthening administrative and judicial capacity)

The project is in line with the following **Accession Partnership** priorities:

- “Setting up appropriate structures relating to the labour market and joint evaluation of employment policies from the point of view of participation in European-level coordination”
- “Implement the adopted National Action Plan for Employment, taking into account the revised European Guidelines and the priorities, commitments and recommendations identified in the Joint Assessment of the Employment Policy Priorities”.

The project shall support the aims stipulated in the NPAA and in more specific terms it will facilitate the achievement of the following objectives:

- Ensuring the education quality to enable comparison of the secondary general and vocational education with that of the EU member states, as grounds for achieving free movement of people and services within the framework of the internal market;
- Increasing the employment through enhancing the labour force employability;

- Maintaining and improving the human resources quality and their job placement;
- Decreasing and prevention of unemployment and social exclusion;
- Establishing a flexible and adaptive national vocational training system and vocational qualifications system which will take into account the social and economic requirements as well as the market demands, and will ensure access for all citizens and active social partnership.

2.4 Contribution to National Development Plan (and/or Structural Funds Development Plan/SDP)

The strategic vision for Human Resources development is **“to ensure better quality of life via enhancing employment, reducing unemployment, guaranteeing an access to high quality education and lifelong learning, and sufficient income for an increasingly improved living standard”**.

The project addresses directly the following priorities laid down in the Human Resources Development Operational Programme:

- To improve and enhance labour force and economy competitiveness through development and implementation of appropriate educational and training programmes that meet the economy needs, and promote lifelong learning;
- Actions to improve social and economic cohesion and social inclusion for disadvantaged groups on the labour market (youth, long-term unemployed, people with disabilities, ethnic minorities, etc.);
- To assist the development of an entrepreneurship culture through training and skills development;
- To ensure equality between women and men regarding employment;
- To improve VET and HRD capacity and infrastructure by implementing a VET reform in accordance with the provision in the NDP for ensuring access to high quality education and training and Life long learning.

Joint Assessment of Employment priorities (JAEP)

The project meets the following priorities underlying in the JAEP:

- Optimization of the vocational schools network, revision of the curricula, including retraining of teachers;
- Completion of the reform of vocational education and monitor implementation to ensure that the provision is adapted to the future needs of the economy;
- Development of a strategy for CVT in close cooperation with the social partners as well as appropriate incentives for training of employees;
- Increasing the provision, resources and targeting of training measures;
- Improving the provision and targeting of active labour market programmes, continues to rebalance it between temporary work schemes and sustainable employment, better address young unemployed and disadvantaged groups;
- Making enterprises aware of the importance of training and developing appropriate incentives;

- Examination of appropriate policy instruments including regional development strategies, promoting labour mobility and human resources development in order to ensure a better balanced provision of active programmes across the territory.

2.5 Cross Border Impact

Not applicable

3. Description

3.1 Background and justification:

Active Labour Market measures

Development of the national labour market during the last decade reflects the major trends and processes in development of the national economy. The economic activity rate of the persons 15-64 years of age in Bulgaria is still very low, compared to the average rates in the EU member states. During the transition period the labour force was continually decreasing as a result of the unfavourable economic environment and the slow restructuring process.

The transition and reform processes in Bulgaria started in the early 1990s. Positive developments started with a small GDP growth, which is a consequence of private sector growth and improved access to the European markets. While the main achievement of Bulgarian governments since 1998 is macroeconomic stabilization, high unemployment rates and difficulty in adjusting to the rapid changes of the market economy is a serious constraint in the process of accession of Bulgaria.

The high unemployment rates are due to the fact that large-scale restructuring and consequent loss of jobs was not matched sufficiently by the new jobs creation. Between 1990 and 1997 the registered unemployment rate increased from 1.7% in 1990 to 11.1% in 1991, reaching its highest level of 16.4% in 1993. As a result of the overall economic crisis, unemployment started to rise again in 1997 and continued rising until 2000. In 2000 the registered unemployment rate reached 18.1%, its highest level of the whole transition period. In the subsequent years the unemployment rate gradually fell to 17.9 % in 2001, 16.3% in 2002, 13.7% in 2003 and 12.7% in 2004. By the end of February, 2005 the registered unemployment rate is 13%.

Unemployment in Bulgaria has been characterized by still high levels of long-term unemployment. Approximately 70% of long-term unemployed in 2002 had little or no education and/or professional qualification (61% of the total unemployed). In 2003 and 2004 the educational structure of the long term unemployed continued to follow the observed pattern with negligible increase in the percentage of unemployed with basic or lower education (61,5% of the total unemployed). Another feature of unemployment in Bulgaria has been the high level of youth unemployment, which has risen from a low of 28.4% in 1998 to 38.4% in 2001. Nevertheless, as a result of the active labour market measures in the years 2002 and 2003 the youth unemployment rate fell to 27.8% and 21.1% respectively and in 2004 it was 19.2%. The stable tendency for unemployed without specialty or qualification to form the largest group among the registered unemployed remained. Their relative share increased by 0.8 points as compared to 2001 and was 60.6%. In 2002, 57% of unemployed had basic and lower education, 29% had secondary specialized and vocational education, 8%

had secondary general education and 6% higher education. By the year of 2004 the educational structure of the unemployed changed as the unemployed with basic and lower education represented 38% of the unemployed, while the pool of unemployed with secondary schooling rose to 50% of the unemployed. The percentage of unemployed with higher education also rose by 5% and reached 11.4% of the unemployed.

Bulgaria's population has been declining continuously since 1989, with a fall of 8% between 1989 and 2000, i.e. from 8 767 300 in 1989 to 8 149 500 in 2000. The fall continued and in 2003 the population of the country according to the NSI is 7 801 200. These negative trends have been accompanied by an ageing of the population and the impact of this on employment. There is still high share of people at a disadvantage on the labour market – youth, long-term unemployed, people with disabilities, ethnic minorities, unemployed aged over 50 and other specific groups unemployed. A specific disadvantaged group on the labour market is that of people with disabilities.

The number of discouraged persons is rather high. During the second quarter of 2003 they are 415.7 thousand and their number slightly fell by the fourth quarter of 2004, when the discouraged were 392.6 thousand. In conditions of sustained economic growth and creation of more and qualitative jobs, the discouraged persons will start to seek work and will go back on the labour market (for which they should be supported).

Disparities in the employment rates between the planning regions are considerable. The number of employed (at the age of 15 and more) in the Southwest region is 5.5 times bigger than that in the Northwest region. The lack of balance on the regional labour markets is due on the inherited structure of the economy, the different possibilities for the start up of small and medium enterprises. Therefore, the Ministry of Labour and Social Policy intends to launch a Grant Scheme aiming at creation of new sustainable jobs and enhancing the employability of the labour force.

The Employment Promotion Act provides for vocational training of employed or unemployed. It includes financial incentives for employers who upgrade the qualifications of their employees, or hire unemployed people, or offer internships. In addition, the law provides the basis for a national policy and strategy for vocational training of unemployed and employed.

The National Employment Agency (NEA) in Bulgaria organizes labour market training for unemployed and those at risk of becoming unemployed, and for employed. According to data from the NEA, in 2002 BGN 2.5 million was spent on labour market training (out of a total of BGN 81.2 million for active labour market measures). There is an increase in labour market training funding but in comparison to the overall expenditure for all labour market programmes in 2002, the amount for labour market training is low (1%). The amount allocated to active labour market measures continued to increase in the subsequent years and in 2004 the total budget for active labour measures was BGN 210 million. Nevertheless, the expenditures for training activities continued to represented a small percentage out of the total allocated amount, as they were on average about 5% .

The concept of Lifelong Learning (LLL) is partly embedded in Bulgarian VET/labour market reform. Although the aspects of such approach are included in the VET Act and in the Employment Promotion Act, there is no separate law/regulation or policy strategic document concerning these issues.

At present there is no regular training needs analysis to support programming or to define the needs for vocational qualifications. While some regional training needs analysis has been carried out under Phare Programme, this has had no follow-up and there is no systematic monitoring system. In this context under Phare Programme 2003 between the European Commission and the MES and MLSP has been agreed particular project.

The overall objective of the project is to provide information on the employers needs in terms of the different professional, educational and qualification level of the labour force.

In 2003 a working group on development of a Methodology for studying the employers' needs of labour force with specific vocational qualification has been established within the MLSP. The working group has elaborated a draft Methodology and Terms of Reference for carrying out of study of the employers' needs of labour force with particular vocational qualification. The project "Studying the employers' needs of labour force with specific vocational qualification" is part of the National Action Plan on Employment for 2004, funded by the State budget. The overall objective of the project is provision of information on the employers needs in terms of different professional, educational and qualification characteristics of the labour force. In 2004 a single study has been implemented. The national survey of the labour market needs envisaged to be carrying out through Technical Assistance 1 should be based on the outputs of the above-mentioned project and will further develop the available information and policies.

A National Consultative Council on Vocational Qualification of the Labour Force is established under the Minister of Labour and Social policy. The functions of the Council are aimed at coordination of the national policies and strategies on the training necessary for the unemployed and employees to acquire vocational qualification in the LLL context.

There is a Lifelong Learning Concept in the framework of the labour force employability elaborated by the MLSP. The Concept was examined by the National Employment Promotion Council under the Minister of Labour and Social Policy which is a permanent consultative body for cooperation and consultations in the process of designing and development of the employment policies. This Concept consists of guidelines for labour force training all throughout the working life, taking into account the requirements on the training for the new technologies, basic skills, knowledge-based economy, employability skills, appliance of effective adults training methods, training programmes' content, extension of the access to the different learning forms, as well as making the learning opportunities closer to the learner. The training will be provided according to the labour market demands.

Thus, the project proposed is aimed at developing a regular research, prognoses and analyses on the qualification level of the labour force, vocational training needs, employment and labour market issues for IVET/CVT in a Lifelong learning context as well as development of a package of active labour market measures. The project's activities will take into account the demographic developments and economic parameters of regions and reflect the needs of the labour market.

Vocational Education and Training System

Transformation of the VET system, which was inherited from a system serving the centrally planned economy, started in 1995. Since then, the education structure has been in a process of continually transformation and further development. Major changes are related to the

reclassification of school types, duration of studies and curriculum development in order to better meet the market economy needs and requirements.

Phare 95 VET Reform Programme has laid the basis for VET reform. This resulted in the development of the VET Act; establishment of the National Agency for Vocational Education and Training; and introduction of modular pilot curricula, broader occupational profiles and new training methods on a pilot basis. Since 1999 many efforts have been made to introduce these reforms in a systematic way, but the process has still not been completed. At this stage, the VET reform has largely taken place on a pilot basis, with little systemic impact. While the VET Act stipulates decentralization, the system has remained rather centralized, with the main responsibilities for the organization and management of the VET system remaining with the MES. Although the legal basis for IVET is quite well developed, it clearly needs improvement in terms of LLL context.

There is no approved strategy on Secondary education. However there are several draft versions which are at the stage of consideration. At the end of 2004, the Council of Ministers adopted a Strategy on CVT developed under the responsibility of MES with the participation of MLSP, Ministry of Finance, Ministry of Economy, NAVET and Employers' organisations. The purpose is to develop a Strategy on IVT with specific goals, priorities, activities and the expected results to the year 2010. By uniting the Strategy IVT, CVT and General Secondary education shall be established the overall strategy on Life Long Learning.

Optimization of the VET school network to provide high quality VET for the labour market, including new vocational profiles and new skills, has literally come to a standstill. Most of the vocational schools buildings are obsolete and have to be refurbished.

Since school year 2004/2005 new curricula and syllabus have been applied in the vocational schools. The curricula and syllabus have been developed according to the new List of vocations for vocational education and training, elaborated by the National Agency for Vocational Education and Training (passed by Order ? RD 09-413/12.05.2003 of the Minister of Education and Science, amended by Order ? 09-34/ 22.01.2004).

The optimisation and streamlining of the school network to provide high quality VET for the needs of regional labour markets has been declared a priority of the MES. While there are criteria for optimization, an implementation plan has not been established. Additionally, vocational training equipment is insufficient and out-of date which reflects on the quality of practical training. Practical training is currently conducted mainly in school workshops that cannot provide practical training appropriate to the requirements of the labour market.

The project, in its three phases envisages a total of 28 VET schools to be refurbished and supplied with up-do-date training equipment, broken down per phases as follows: Phase 1 – 13 schools, Phase 2 - 7 schools and Phase 3 – 8 schools. The 28 schools included in the project constitute 6.5% of the total number VET schools available in Bulgaria. By the implementation of the project, the selected schools are expected to be transformed into regional vocational schools of excellence, where the quality of training shall correspond to the market requirements. MES shall ensure the selection of the school beneficiaries on the basis of appropriate criteria so that that the selected schools together with the schools already modernized under previous projects will form the backbone of the optimized national VET school network.

According to the Joint Assessment of Employment Priorities in Bulgaria (JAEP), the proposed IVET reform, among other things, needs to finalise curriculum reform including re-training of teachers aiming at high quality VET, and to rationalise the vocational school network and decentralise the VET system.

Bulgaria seems to be lagging behind in terms of ICT equipment and Internet connection in comparison to the new member states and other candidate countries. Since 2003 there has been a Draft National Educational Strategy for the integration of ICT into school education elaborated by the MES. There are 550 schools in Bulgaria with a total number of students exceeding 202 000, where vocational training is provided, out of which 434 are vocational secondary schools and the rest are secondary general education schools having also vocational classes. The ICT strategy is under implementation and so far 700 schools (mainly general education schools) have been equipped with one computer room, aiming at the ensuring of initial computer literacy. The number of VET schools benefiting from previous assistance in ICT is very insufficient for ensuring quality training. Part of the equipment delivered under previous projects is already obsolete as it is 9-10 years old. The decision making on the VET schools selection is carried out by MES under an agreed methodology taking into account the government policy on schools network optimization, the priorities set in the regional development plans. According to MES data for 2003, there are 8,375 computers in general secondary schools and a further 6,000 in VET schools; a total of 1,710 secondary schools have Internet connections. In 2003 the MES has allocated BGN 700,000 for ICT in general secondary schools. While there are strategic documents that provide the basis for the development of ICT training implementation has only just begun. It emerges that apart from ICT classes, there is practically no access to computers or computer labs as part of other subjects. Teaching materials are rarely published on a dedicated website of the school, which would facilitate e-learning and the whole process of teaching and studying.

Since the IT is a core competence in the modern labour market, there is an urgent need to create supportive learning environment for young people in the schools. It is important not only for providing computer literacy but also for integrating ICT into teaching of other subjects. Given the future demand for high-technology related professions, schools have to be able to provide the relevant training. Thus, it is crucial to ensure access to high technology training and especially to up-to-date computer equipment and relevant software for a great number of Bulgarian schools. On that ground, 220 additional vocational schools will be supplied with computer equipment, relevant software and peripherals with the purpose to support the VET reform including curriculum reform, teacher training, etc. It will result in establishment of a well functioning computer hall in each of the selected beneficiary school and access to Internet thus providing a basis for improved computer skills of the students.

7 schools under the project BG0004.04 were refurbished but could not be supplied with the envisaged training equipment. These 7 schools are part of the envisaged VET schools network expected to play an important role as vocational schools of excellence as well as part of the interventions providing for promotion of employability in the two economically important target regions - North-West and South Central. The modernization of these 7 schools is part of the overall VET reform in Bulgaria and serves as a basis for building up by each subsequent project in this field. The objectives of the present project are a continuation of those of BG0004.04 project and both projects are in full compliance with the priorities of AP, NPAA and National Development Plan (see Annex 7 for further justification).

With regard to this, it is suggested the equipment envisaged in the failed supply tender of BG0004.04 to be included in the activities under the present project, so as to alleviate the

condition of the 7 vocational schools and to ensure the achieving of the initial project objectives. Thus, with the implementation of this intervention shall be brought to a successful accomplishment which shall contribute to the main objective of the VET Reform for establishment of quality vocational training in Bulgaria.

Regarding teacher training, in 2002 the Department for Information and Teacher Qualification at the University of Sofia carried out in-service training for about 5% of all VET teachers. This percent is decreasing as the Department does not provide specialized training related with new technologies. This has been short-term training, including the use of new technologies in teaching, the development of curricula and national examination tests, the methodology of modular training, and instruments for assessment of students. While in percentage terms there are more VET teachers trained than general secondary education teachers/primary education teachers, there is no tailor-made VET teacher-training system in place. However, the developed Strategy for secondary education pays attention to the enhancement of teacher qualification and the present project is part of the measures for improvement of the teacher qualifications in the VET system. The teacher qualification is an important element of the overall VET reform.

With regard to the curriculum reform little progress has been achieved. The modernisation of curricula was identified early on in the transition period as one of the main concerns, but has mainly been addressed in the context of the Phare programme. Since 2004/2005 school year the new students' admission has been carried out according to the new List of vocations for vocational education and training (passed by Order ? RD 09-413/12.05.2003 of the Minister of Education and Science, amended by Order ? 09-34/ 22.01.2004).

Under Phare VETEREST 18 curricula were revised following the modular approach, and implemented in pilot schools, and subsequently in technical schools. Today these curricula have been implemented in around 100 schools. Further work has built upon those results under Phare 2000.

An overall national system of vocational standards is not yet in place. NAVET is the national agency responsible for standards development and has established tripartite internal working groups to carry out relevant tasks. In May 2001 a general framework for standard development was developed by NAVET and approved by the MES, as was a list of 172 vocations for VET. In 2004 the List of vocations for VET has been updated and currently it includes 200 vocations. Since its establishment NAVET has elaborated a methodology for standards development that focuses on the vocational competencies required and on broad occupational families, and is thus in line with current trends in the European Union. Therefore the training content of each vocation will be structured in terms of general vocational training (basic competencies necessary for all vocations in the field), sector-oriented vocational training (e.g. ICT, health and safety, languages) and job-specific training (specific competencies needed for performance of the vocation).

A System of standards for acquiring of vocational qualification per vocations according to the new List of vocations for VET is under elaboration. There are currently 90 standards under elaboration; 50 out of them have already been finalized – 33 standards have been approved by the Minister of Education and Science and published in the State Gazette, approval of 17 standards is expected, the rest 40 standards are on different stage of preparation. These standards are applied to both initial and continuing training. Piloting of the finalized standards is expected to be followed by gradual elaboration of new curricula in compliance with the vocational standards.

Consequently the overall VET reform needs to be addressed at system level, including a VET strategy, adjusting to the labour market needs, qualification framework, assessment, monitoring and teachers training, in a LLL context. The challenge remains to plan and further implement an overall VET reform on a system level within a reasonable timeframe. AVET strategy needs to be developed in a Lifelong learning context, while fostering cooperation between VET and the labour market.

Consequently, the Ministry of Education and Science is embarking in 2004 on the development of a VET strategy assisted by technical assistance, with an agreed implementation, time-and resource plan. This strategy will include initial and continuing vocational education and training in a LLL context, while being responsive to labour market needs. It will build on results achieved in particular through Phare projects, but also on national developments. In this context reform will address the overall structure and system of secondary education, VET financing, VET legislation, institutional and capacity development, links between VET and economy, issues of vocational standards, curriculum development, teachers training, criteria for VET school network organization, a model for an effective VET assessment and accreditation.

3.2 Sectoral rationale

The Government strategy in the human resources development sector is based on a number of legislative and strategic documents and papers that outline, in a coordinated manner, the actions that have to be undertaken in order to enhance the adaptation of the Bulgarian employment system to the European standards and advance the process toward achievement of the main goals stated in the European Employment Strategy.

The strategic documents governing the human resources development policy include the Employment Promotion Act, the VET Act, the Operational Programme “Human Resources Development” (2000-2006), the New Social Strategy (2002-2005), the Employment Strategy (2004-2010), the annual National Action Plans for employment, the CVT strategy (2005-2010) and the Joint Assessment of Employment priorities paper. The Employment Promotion Act and the VET Act provide the legal framework for the implementation of the human resources development policy, while the other documents are concerning the main priorities and challenges the country faces in the area. The action plans give a more concrete dimension of the policy as they include the measures and the sources of funding.

The main priorities set out in these strategic documents give accent to the active labour market policy measures and are coordinated with the goals stated in the European Employment strategy, namely: achievement of full employment, enhancing the quality and the productivity of the labour force and encouragement of the cohesion and inclusiveness on the labour market. In accordance to the priorities and the identified needs, the government has undertaken various measures aiming to reduce the unemployment levels and encourage the employment, reintegrate the vulnerable groups on the labour market and enhance the labour productivity. These measures include national and donor supported programs for reformation of the VET system, creation of new jobs, vocational training of unemployed and employed adapted to the employers’ needs, promotion of the LLL concept, entrepreneurship courses, SMEs management courses, introduction of OSH standards within the enterprises, protection against discrimination on the labour market, enhancement of the social dialogue, etc.

The implementation of the various measures listed above will bring for the achievement of the midterm goals (by 2010) of the Employment Strategy (5% rise in the economic activity of the population, unemployment level below 10%, participation ratio of the unemployed in active

labour market measures – 25%) and subsequently for the attainment of the European Employment Strategy aims.

The basic financial allocation for execution of the active labour market and VET measures is made by the government. The EU is the main additional source of funding for the government efforts in the sector. The World Bank has also provided some loans related to the reforms in the educational and employment systems (SIEP project. However, it should be noted that the support from the World bank was only aimed at the general and higher education, but not to the vocational education.

The SIEP project overall objective is to complement the existing social protection system through addressing the poverty and long-term unemployment that persists in “pockets”, concentrated regionally, among the poor long-term unemployed, and among specific ethnic minorities (Roma, Turkish). The goal is achieved through two major types of investments namely the Community infrastructure development initiative and the Active labour market measures component. The first component supports mainly infrastructural projects regarded either as a community or municipal priority. To a small scale the component also supports interventions related to the provision of social services and training activities for poor and vulnerable communities. The second component of the project comprises predominantly of institutional building measures strengthening the planning capacity for execution of comprehensive active labour market policy on national and regional level. The expected results of the project include improved access to social services to the poor, income generation for vulnerable groups, employment generation, enhanced private sector development and strengthened national and regional capacity for execution of sound active labour market policy. The amount of the loan is 68 million euro.

The Second Programmatic Adjustment Loan (PAL 2) is providing a single umbrella of support to reforms across different sectors of the Bulgaria’s economy. The main objectives of the PAL program are the achievement of average annual growth rates of 4.5-5.0 percent during 2002-05, the reduction of the poverty rate by half by 2005 compared to 2001, and decrease in unemployment from 18.1 percent in 2001 to 12-14 percent in 2005, while making substantial progress towards EU accession.

The PAL program is comprised of three loans for a total of US\$450 million. PAL 1 that was targeted at improvements in the business environment, the restructuring of infrastructure sectors and further deepening of financial sector. PAL 2 continued the reforms initiated under PAL 1 and is supporting key reforms in the country to improve public sector governance. Currently the government and the World Bank teams are working on the preparation of PAL 3 that will continue structural reforms through building human capital and improving delivery of social services. The PAL program is built around five pillars of reforms to promote private sector-led growth:

- sustaining structural reforms in the enterprise sector, with emphasis on the restructuring of the energy, railways, telecommunications, and water sectors;
- establishing a market-friendly business environment, focusing on entry and exit policies, regulatory costs, delivery of public services, competition, and judicial reform;
- deepening the financial sector addressing the constraints to increased lending by the banking system and the development of financial markets;
- improving public sector governance, including implementing the anticorruption strategy, strengthening local governments, and reforming public administration and judiciary;

- investing in human capital and strengthening social programs, focusing on education, health, and pension reforms and social assistance effectiveness.

The coordination between the different financial instruments and the avoidance of overlapping is achieved through the streamlining of the concrete measures undertaken each year that are described in detail in the National Action Plan for Employment.

The National Action Plan for Employment is the lowest level in the hierarchical order of the strategic documents. As such it sets the operational goals in the sector and provides detailed information on the projects that will be implemented during the financial year. The operational goals in their integrity contribute for the achievement of the midterm and long term goals stated in the strategies, while their attainment is a condition to enable the achievement of the overall sector objective.

3.2.1 Identification of projects

The midterm objectives (by 2010) in the sector as stated in the Employment Strategy and the CVT strategy include:

- 5% rise in the economic activity of the population
- Unemployment rate below 10%
- Involvement of at least 25% of the unemployed in active labour market measures
- Improvement of the access to CVT
- Effectiveness of the collaboration among the institutions involved in provision of quality CVT
- Scientifically insurance of the CVT
- Rise in the investment devoted to CVT

These are in full compliance with the EU strategic vision for creation of a competitive, dynamic and knowledge-based economy with more and better work places and broader social cohesion by 2010.

The current state (2003-2004) in the sector is closely examined in the strategic documents and the main findings could be summarized as follows:

- The economic activity rate (49%) of the persons aged 15-64 years in Bulgaria is lagging behind the EU average (58%)
- Unemployment rates still high (13%) compared to the EU average (7,6%)
- Unfavourable structure of the unemployed – 70% of the unemployed are long term unemployed (compared to the EU average of 42%), 38% are youths, 57% are with basic or lower education, regional disparities in the unemployment level higher than 5%.
- The level of employment still very low (43%)
- Unfavourable employment structure – high productive and analytical specialists are employed mostly in the public sector (44%), unskilled workers account for 10% of the employed compared to the EU average of 8%, the demand for unskilled workers is about 20% of the total potential demand of the employers.
- Low level of public investment in the educational system – 3% of the GDP, compared to the EU average of about 6-7%. This is reflected in the outdated material base and the low level of penetration of new technologies in the CVT system – 1 PC per 52 students.
- Low coverage of the CVT system (1,4% of the persons aged 25 – 64 have been involved in vocational qualification courses in 2003, compared to the EU average of 9,7%).

- Decrease in the number of students acquiring degrees in biotechnologies, physics, mathematics, etc. seen as the future innovative potential of the nation.

The gap between the current state and the desired situation leads to the identification of various measures, part of which are proposed for financing under the current project proposal and include:

- Schemes encouraging the private companies to invest in their human resources;
- Continuing vocational education programs targeted at specific groups, regions or economic sectors;
- Schemes for enhancing the entrepreneurship and stimulating the economic activity of the population;
- Schemes enhancing the change of the unemployment structure;
- Schemes facilitating the creation of new jobs and stimulating the employment and the quality of the work places;
- Programs for reform and renovation of the CVT material base;
- Programs for upgrade of the educational standards;
- Programs for promotion of knowledge based and innovation oriented courses;

The current project proposal will integrate part of the listed measures in order to achieve its specific purpose related to the development of an adequate CVT and LLL systems and promotion of more effective and targeted active labour market policy. The listed measures in most cases will be implemented through Grant schemes.

3.2.2 Sequencing

Completion of the national survey on labour market needs and the elaboration of a VET Strategy and Implementation Plan are the key milestones needed for the successful start of the project. Once these are put in place the sequence will not be crucial as the Grant scheme under Component 1 of the project could be easily re – launched. As a whole the contracts under Component 2 of the project are not dependent of these signed in the previous phases and could be executed separately.

3.3 Results

3.3.1 Phase 1

3.3.1.1 Purpose

- Development of an effective system of labour market needs analysis and the promotion of more effective active labour market policies;
- Development and implementation of an effective strategy and framework for Lifelong learning incorporating reform of the VET system (IVET and CVT) as well as further implementation of the adult learning strategy.

3.3.1.2 Results:

I. Component 1 – Active Labour Market Actions

Phase 1

- Labour market survey completed, including institution building measures for local stakeholders to carry out the survey on a regular basis (during the next phases);
- Impact assessment of training and active labour market measures;
- Developed and implemented schemes for training of potential entrepreneurs – approximately 700 potential entrepreneurs trained in entrepreneurial and management skills;
- Developed and implemented job creation schemes involving both investment support and training – about 50 grants awarded for job creation for people at disadvantage on the labour market.

II. Component 2 – Improvement of Vocational Education and Training System

- Developed a VET Strategy in LLL context including vocational standards and curricula reform, criteria for VET school network optimization, teacher training reform, a model for an effective VET assessment; set up of model of NAU, including assessment criteria and defining roles, responsibilities and resource; The Strategy shall define the links with the overall secondary education reform.
- Design of a Strategy Implementation Plan with clear institutional roles and responsibilities, annual time schedule, criteria for selection of schools, etc.
- Reform of vocational standards and curricula continued with 20 standards upgraded focused on high economic priority areas in compliance with the results of the national survey on labour market needs;
- 6 selected schools refurbished and re-equipped;
- Appropriate teacher training based upon identified needs developed - in-service teacher training of 180 teachers from the selected beneficiary schools conducted;
- 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project (Phare Programme 2000) equipped with training equipment;
- 120 vocational schools supplied with computer equipment, relevant software and peripherals.

3.3.2 Phase 2

3.3.2.1 Purpose

- Development of an effective system of labour market needs analysis and the promotion of more effective active labour market policies;
- Development and implementation of an effective strategy and framework for Lifelong learning incorporating reform of the VET system (IVET and CVT) as well as further implementation of the adult learning strategy.

3.3.2.2. Results

I. Component 1 – Active Labour Market Actions

- Developed Adults training Centers - about 10 grants awarded to the Training Centres for delivery of training to meet the identified needs of the regional labour markets;
- Developed and implemented schemes for training of potential entrepreneurs – approximately 700 potential entrepreneurs trained in entrepreneurial and management skills;
- Developed and implemented job creation grant schemes involving both investment support and training - about 60 grants awarded for job creation for people at disadvantage in the labour market.

II. Component 2 – Improvement of Vocational Education and Training System

- A further 30 national vocational standards and curricula upgraded in a selected priority economic sector different from Phase 1, in compliance with the annual survey of labour market needs;
- 7 vocational schools refurbished and equipped;
- Appropriate teacher training for 810 teachers from the selected vocational schools including training in New technologies, IT and applying of specialized software in the training per professions.
- 100 vocational schools supplied with computer equipment, relevant software and peripherals.
MES is selecting all beneficiary schools following its policy, regional development plans and recommendations from the Regional Inspectorates of Education. Detailed information on selection is provided on page 7.

3.3.3 Phase 3

3.3.3.1. Purpose

- Development of an effective system of labour market needs analysis and the promotion of more effective active labour market policies;
- Development and implementation of an effective strategy and framework for Lifelong learning incorporating reform of the VET system (IVET and CVT) as well as further implementation of the adult learning strategy.

3.3.3.2. Results

I. Component 1 – Active Labour Market Actions

- Developed Adults training Centres - about 14 grants awarded to the Training Centres for delivery of training to meet the identified needs of the regional labour markets;
- Developed and implemented schemes for training of potential entrepreneurs – approximately 700 potential entrepreneurs trained in entrepreneurial and management skills;

- Developed and implemented job creation grant schemes involving both investment support and training - about 70 grants awarded for job creation for people at disadvantage in the labour market.

II. Component 2 – Improvement of Vocational Education and Training System

- A further 30 vocational standards and curricula upgraded according to the annual survey of labour market needs aiming at multiplication of the experience gained by the selected economic sectors of Phases 1 and 2 to other vocational families in the same sectors;
- Appropriate teacher training for 900 teachers from the selected vocational schools including training in New technologies, IT and applying of specialized software in the training per professions
- VET Web Gate and relevant software established and supplied with necessary equipment, after a greater number of VET schools have been equipped with computer equipment, so that they can be integrated in the network covered by the WEB Gate
- 8 vocational schools refurbished and equipped.

3.4 Activities (including Means)

I. Component 1 – Active Labour Market Actions

Through the implementation of the activities envisaged under this component of intention is to develop more effective labour market policies in order to advance Bulgaria's labour market transformation and adapting the national employment system for implementation of the European Employment Strategy. The activities will support the implementation of the priorities and commitments underlined the Joint Assessment of Employment Policy Priorities. Within this component, the Ministry of Labour and Social Policy will maintain its policy aimed at provision of a well functioning labour market in support of a higher level of employment of the active population. For that purpose the activities will be focused on the employment creation through grant support and further development of an adult training centre network as part of the LLL. Moreover, the entrepreneurship, as part of the active labour market policy, will be promoted, and the potential entrepreneurs will be provided with adequate training allowing them to initiate launching of independent economic activity. In the project framework approximately 30% of the total numbers of unemployed and employees who will be participate in the vocational training courses will be trained person who are interested in starting their own business. Furthermore, the national survey of labour market needs which will be completed by the TA shall be a basis for carrying out of standardized annual survey.

- **Phase 1**

The particular activities foreseen during the Phase 1 will be implemented by means of one service contract and a Grant scheme:

Technical Assistance 1

The TA shall assist the MLSP's efforts in terms of identification of the employers' needs and will give support to develop end set up labour market survey on a regular base. It is expected that the TA will train a pool of experts from MLSP that will later be able to update the results

of the survey annually. The updates will serve as a base for decisions concerning the Grant scheme implementation in the subsequent phases.

It is expected that during Phase 1 the Technical support will be in the given up in the following dimensions:

a) Conduction of a national survey on labour market needs

Apart from the Labour Force Survey, carried out by the National Statistical Institute, there are no regular surveys that give information on labour market needs and trends. While there are a variety of active labour market measures in place, there are no indicators on the numbers and proportions of those who found a job after participation in the labour market programmes. The internal and external monitoring system of the MLSP and Employment Agency provides figures on the number of unemployed by gender, and the number served by labour office staff and others, but there are no quality indicators in place. There is no systematic use of net impact evaluations to assess the effect of active labour market measures.

Furthermore, the national survey needs to compare and analyse forecasts about qualification and skill needs and the implementation of identified needs in the training- and labour market systems. On the one hand, the results of employment prospects may have far-reaching implications for the development of qualification needs as a consequence of the internationalisation of markets.

In analysing qualification needs the results and methodologies of current skill and labour market forecasts will be taken into account. From this detailed and country specific work trends will be deduced with respect to needs in specific segments of the labour market. The sectoral and aggregate analyses of the labour market are supplemented with time series studies on labour supply and demand for higher educated people, studies on the qualification needs of small and medium sized firms, and the role of costs for gathering information on human capital investments.

Of special interest are the role of social partners and models of worker participation in the implementation of qualification needs in the vocational training system, innovative training arrangements in small and medium sized enterprises as well as the role of public and private employment offices in advising people on training issues.

One of the biggest challenges we have faced is the dearth of comprehensive labour market data. It is necessary to have a clear picture of the labour market characteristics. The survey at the start of the project should describe in depth the current situation on the labour market and the prospects for its development in the mid-term perspective. Thus, this national survey will be focused on sectoral development in employment, skilled labour shortage and demands for skilled workers. The study shall provide general and detailed information on local labour markets and examine the hiring intentions of employers and qualitative and quantitative staffing needs of local and regional businesses.

Given that the provision of occupational safety and health at work (OSH) is an integral part of the HRD policies, in terms of promotion of quality of work and life, the survey will also examine the opportunities for raising the adaptability of enterprises (organizational structure, OSH conditions, quality standards, human resources management etc.) and development of a proposal for their improvement. The survey will investigate work conditions for people with disabilities within the enterprises as well as development of quantitative indicators for

measurement of the quality of the newly established jobs, including working definition for a “quality work place”.

The national survey is designed as a pilot one which shall establish a methodology that will be transformed in a systematic survey for regular analysis, prognoses and data collection, and will be further developed by the MLSP. It will be undertaken an in-depth analysis of the demand and supply side on the labour market which will allow making a clear picture of current and future needs on the labour market as well as to upgrade a person’s qualification for long-term perspective. On the base of the survey outputs will be specified the vocational standards and curricula which shall be developed, the most appropriate schools structure and necessary teachers training. The selection of the beneficiary schools and it refurbishment will be made on the basis of survey and VET strategy. Training which will be delivered by the training providers shall be based on the training needs both in terms of skills required and in terms of greatest need of the regions and regional economy trends. The TA shall train the experts from the MLSP and from regional structure of the National Employment Agency in order to create an institutional capacity for continuation of the activities after the project completion.

It is expected that the survey duration will be about 5-6 months.

The TA, together with the MLSP, will elaborate the documentation necessary for implementation of the Grant scheme for all phases of the projects. The TA will develop Operations Manual and Guidelines for Applicants. The TA will revise the Guidelines for Applicants in correspondence to the update of the survey results in Phases 2 and 3.

b) Preparation of the Grant scheme documentation

c) Promotional campaign of the Grant schemes

It is expected that the TA will execute the promotional campaign (including scheme’s objectives, its components, application rules, eligibility criteria, training for project preparation, etc.) during the first phase of the project. After the completion of the survey the results will be disseminated among the potential grant applicants.

d) Provision of training and seminars in the area of occupational safety and health at work (OSH) for employers, training providers, consultancy organizations, social partners and other interested institutions

Raising the standards of safety and health at work is a key element of the European Social Model. The European Accession Agreement aims to draw closer the national social policies and employment legislation with the EC law, as well as to establish a better cooperation for improving the standards of health and safe working conditions. The protection of health, life and labour capacity of the working people as well as the provision of safe working conditions is one of the basic elements within the Government’s social policy.

Bulgaria has already transposed the EU’s comprehensive safety and health directives into national legislation. The newly adopted requirements impose the application of technical and organizational measures that can ensure the integration of occupational safety and health activity in the entire management of the enterprise as well as in the human resources management. The main challenge now is to ensure that these legal standards are converted into real improvements in working conditions. All normative acts adopted in the field of OSH

after 1995 are harmonized with the European law. The requirements of Framework directive 89/391/EC and of all documents connected to it are entirely adopted.

This activity is targeted to all interested parties, which are directly responsible to conduct and fulfil the legal requirements in the field of OSH.

The TA will organize a national seminar for the interested parties (employers, ministries and other institutions, occupational health services, research institutes, structures of employers and employees' organizations). The seminar will be focused on effective OSH management systems from leading European countries and their adaptation within the enterprises; OSH quality standards that are already put into practice and which could be used in enterprises will also be presented.

Additionally, 6 training courses (one per region) will be organized for interested specialists, enterprises and consultancy companies. The goal of the training will be to acquaint and train the interested participants in development of unified model of Occupational Safety and Health at work (OSH) management systems and quality standards.

TA will developed, together with Bulgarian experts, Codes of "good practice" for different branches of the economy and through the trainings the Codes of "good practices" and information materials for certain branches of the economy also will be disseminated and presented to the participants. The main goal is these "good practices" to be in help of the Bulgarian employers by giving them alternatives in solving different problems related with the entire management of the Occupational safety and health at work (OSH) activity.

Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force

The Grant Scheme consists of 2 components:

(i) Component A - Employment creation

This component of the *Grant Scheme* is aimed at promotion of job creation and improving the employment perspectives and social cohesion in response to the local market needs and requirements. The Grant scheme will be launched in order to encourage the creation of new sustainable jobs for people at disadvantage in the labour market.

The Grant scheme will be opened to companies, enterprises and other public and private employers, including newly established businesses. They will be supported for job creation for the people at disadvantage in the labour market such as unemployed young people, long-term unemployed, people with disabilities, ethnic minorities, unemployed aged over 50 years, women who wish to return to the work place and other specific groups among unemployed depending on the specific profile of the region concerns. Criteria for eligibility of the applicants will be defined by the MLSP, with the assistance of the TA.

The eligible activities under the Grant scheme will be:

- Investment support for job creation;
- Training of labour force who will be hired by the company;
- Retraining of the already employed within the companies;
- Business consulting services for newly established businesses;
- Consultancy services for the establishment of systems for effective human resources management and development within the enterprises.

The activities are focused on encouraging of the generation of sustainable employment. One of the basic criteria for the applicants will be the number and the sustainability of the newly created jobs.

The training activities will be oriented toward provision of practical and corresponding to the specific needs of the employers training such as: acquiring of specific practical skills by the employees, acquiring of additional skills for the need of the diversification of the companies profile or for the need of restructuring of the company activities. One year after completion of the training the “Labour Office” Directorates (LODs) under the methodological guidance of the TA will conduct a study for impact assessment of training.

Business consulting services for newly established businesses shall include general information about the medium and long-term development perspectives for business opportunities, development of marketing strategies, financial analyses, and human resources strategies development.

The consultancy services will be oriented toward the establishment of Human Resources Development systems. The beneficiaries will receive useful information corresponding to their needs which may contain, but will be not limited to: human resources strategies development, development of adaptability in the enterprise and flexible work organizations and samples of successful European companies in the identified type of businesses.

Each applicant will be required to co-finance the activities. It is expected that the percentage of the co-financing will be between 10 and 25% of the total project cost. The maximum Grant amount under this activity will be 100 000 euro.

(ii) Component B - Fostering the entrepreneurship

Promotion of entrepreneurship among the population in active age is one of the priorities of national employment policy. In this relation it's necessary to provide an adequate training for the utilization of funds for launching of independent economic activity by unemployed as well as active implementation of the individual approach towards the unemployed in view of the timely assessment of the person's attitude and the possibility to carry out the drafted him/her business plan.

The main objective under this component of the Grant scheme is to ensure sustainable employment through promotion of self-employment and entrepreneurship among disadvantaged groups on the labour market. The activities will be focused on supporting the potential entrepreneurs interested in starting their own businesses. The activities that will be delivered will be focused on training in entrepreneurial and management skills and to reduce skills mismatch in the labour market through equipping individuals with the skills required for a knowledge-based society. The training to be delivered includes:

- * Training and counselling on how to start-up a new business - business plans development, access to financing, etc.
- * Advising and information on existing market niches

This Grant scheme component will be opened to organizations interested in entrepreneurship training such as training centres, consultancy organization, and other training providers.

- **Phase 2**

The activities envisaged for Phase 2 of the project will be implemented through a Grant scheme comprising of three components. The first two components will be a continuation of those described in Phase 1, while in Phase 2 additional component aimed at further development of an adult training centres network is added.

Component C - Grant Scheme for further development of an adult training centres network

At the present there are 3 Bulgarian-German Training Centers and one National Centre for vocational qualification under the Ministry of Labour and Social Policy. These 4 Centers are going to be the main body of the future national system for vocational training of the labour force (unemployed and employed), according to the Employment Promotion Act. The centers that will be developed under the present project, together with the centers developed under the project BG 2004/006-070.01.01 “Development of an adult training centre network” (Phare Programme 2004 – Part I) will be associated with the national system for vocational training of the labour force. All these centers will be relatively even distributed in the 6 Planning Regions (NUTS II level), taking into account the regional labour markets demands.

The centers developed under the project will be financed according to the unemployed training courses undertaken in conformity with the Employment Promotion Act as well as by making an own profit of the training organized for the persons and institutions outside of the assignment of the Employment Agency.

A Strategy for Adult Learning, which should be elaborated under the Project “Vocational Qualification” – Phare Programme 2003, will support the training of adults provided by the Centers as well as the training of different target groups and training provided by the trained trainers in compliance with the Strategy.

The activities under Component III of the Grant scheme will support further development of the adults training centres (as part of the national system for vocational training of adults under the MLSP) by creating favourable conditions for development of adult training centres network, guaranteeing CVT provisions. The activities will contribute to the efforts aiming at implementation of the Employment Strategy in compliance with the European Agenda and policies on achievement of high and sustainable employment, social inclusion and knowledge-based economy, as well as to the implementation of the principles of Lifelong Learning. All activities envisaged are focused on the improvement of the labour force employability and competitiveness through provision of labour market training by the specialized training centres. After the completion of the project these centres are going to organize and deliver training courses to unemployed and employees.

The scheme will be develop and implement for delivery of training to meet the needs identified within the national survey. The following package of activities will be eligible for financing under the Grant scheme:

1. Elaboration of training programs in correspondence to national survey outputs;
2. Provision of the tailor-made vocational training courses to beneficiaries;
3. Small renovation of the existing buildings of the centres;
4. Procurement of equipment for the effective provision of the training activities.

In accordance with the national survey outputs, MLSP supported by the TA shall identify the regions and the number of the Adults training centres which shall be developed and the nature of the training to be delivered. The number and location of the already existed Bulgarian-German Training Centres and these which will be developed under Phare 2004 (Early FM) should be taken into account. The eligible organization will be licensed Vocational Training Centres, which cover the particular criteria in conformity with the Government priorities.

Each applicant will be required to co-finance the activities if they apply for equipment and refurbishment activities. It is expected that the percentage of the co-financing will be between 10 and 25% of the total project cost. On condition that the applicant provides only training activities, co-financing won't be requested. The maximum Grant amount under this activity will be 100 000 euro.

- **Phase 3**

Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force

All activities under Phase 3 will be a continuation of the Grant scheme under Phase 2. During this phase the Adults Training Centres that will be further developed and the number of grant beneficiaries will be increased. According to the result from the national survey, there is a possibility for some changes in the target groups and the scope of the eligible activities.

II. Component 2 - Improvement of Vocational Education and Training System

The main issues on which this Component focuses are related to:

- Development of a VET Strategy in the context of Lifelong Learning encompassing IVET general secondary education and CVT; Set up of model of National Assessment Unit, including assessment criteria and defining roles, responsibilities and resources.
- Development of Strategy Implementation Plan with clear institutional roles and responsibilities, time schedule, etc.;
- Further curricula and vocational standards upgrading;
- Teacher training reform;
- VET school network optimisation;
- Establishment of a VET Web Gate and relevant software, after a greater number of schools have been supplied with computer equipment so that they may be integrated within the network covered by the Web Gate.
- Establishment of well functioning computer halls in selected vocational schools to support curricula reforms;

- **Phase 1**

During Phase 1, a VET Strategy in the context of Lifelong Learning and Implementation Plan will be developed. Generally the VET Strategy shall include but shall not be limited to curricula reform, VET school network optimization, teachers training reform and development of model of NAU, including assessment criteria and defining roles, responsibilities and resources.

This VET strategy in a Lifelong-learning context will include Initial and Continuing vocational education and training and will address the overall structure and system of secondary education, VET financing, VET legislation, institutional and capacity development, links between VET and economy, issues of vocational standards, curriculum development, teachers training criteria for VET school network organization, a model for an effective VET assessment and accreditation.

VET reform will continue by development and upgrading of 20 vocational standards focused on high economic priority areas

The Country Monograph on Vocational Education and Training and Employment Services developed with the assistance of ETF indicates the next steps to be undertaken for ensuring an up-to-date quality vocational education and training in Bulgaria. The envisaged Technical Assistance 2 under the present project shall further support MES, MLSP and NAVET to elaborate the overall VET strategy (IVT and CVT) in the context of Lifelong Learning. This assistance shall be rendered as first project activity, i.e. within approx. 6 months period estimated and shall include working teams from both MES and MLSP. The strategy to be developed under this project shall unify the existing concepts in the field of the VET and shall be compliant with the labour market requirements. This shall further contribute to the harmonization of the vocational qualifications with EU member countries.

The vocational training requirements shall be established on the basis of the national survey for labour market needs carried out under Component I. One priority economic sector shall be selected in the framework of which shall be determined a number of vocational families for which vocational standards and curricula shall be upgraded. Following the existing approved selection methodology the Ministry of Education and Science shall select 6 vocational schools as beneficiaries for ensuring high quality training in the priority vocations. MES has already send to its 28 Regional Inspectorates of Education questionnaires and criteria for selection of school-beneficiaries under Phare Programme 2004-2006, including number of trainees, assessment of school buildings, available training equipment and facilities, teacher capacity, existing links with employers, strategic plan for school development in the following 5 years, etc. On the basis of the preliminary ranking carried out by the Regional Inspectorates of Education, final selection of school-beneficiaries shall be made by the Ministry of Education & Science. With this selection methodology shall be selected all beneficiary schools under each of the 3 phases of this project. In this way as early as in the Phase 1 of the project, there will be a map of all VET schools participating in the project.

These schools shall be refurbished and equipped with up-to-date training facilities in compliance with the labour market needs and the requirements of the vocational standards and curricula. The equipment, which will be provided to the schools, will cover the whole cycle of practical vocational training per vocations.

Additional 7 vocational schools of North West and South Central planning regions, beneficiaries under the failed supply component of project BG 0004.04 “Renovating of Vocational Training Institutes” shall be provided with training equipment. This measure shall be in compliance with the labour market needs already established in these regions and further compliant with the priorities set forth herein. The equipping of the schools shall contribute to the achievement of the objectives of the present project which is a continuation of the previous one, viz. improvement of the vocational training quality and enhancement of the workforce compatibility (For further justifications see Annex 7).

Within this phase, in view of achieving computers/students ratio 1:10 in the Bulgarian schools, in compliance with the adopted ICT Strategy of MES, it is envisaged 120 vocational schools to be supplied with computer equipment and adequate software. As a result it is expected that the employers' demands for enhanced computer skills of the labour force shall be responded. The selection shall be done by the methodology available at MES. These schools, in the 3rd Phase shall be integrated within the network of VET schools covered by the Web Gate.

The particular activities foreseen during the Phase 1 shall be implemented by means of the following 6 contracts:

Technical Assistance 2 for:

- development of a VET Strategy and Implementation Plan;
- upgrading of 20 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs carried out under Component I;
- development and provision of in-service teachers training - 180 teachers from the 6 beneficiary schools including: 120 teachers to work with new technologies for training per vocations under the elaborated curricula; 180 teachers trained in computer skills; 60 trained in foreign languages per vocations; 180 trained in training of adults;
- Development of an effective model of a National Assessment Unit

Technical Assistance 3 (Framework contract)

For preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 6 VET schools.

Refurbishment of the selected 6 vocational schools (Works contract).

Supply of training equipment for the selected 6 vocational schools and supply of computer equipment, relevant software and peripherals for 120 vocational schools (Supply contract 1).

Service Contract – Supervision of works and supply contracts implementation.

Supply of training equipment for 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project, Phare Programme 2000 (Supply contract 2).

- **Phase 2**

During the Phase 2 of the project, the Ministry of Education and Science in close cooperation with the National Agency of Vocational Education and Training and MLSP shall continue with the curricula reform. The List of occupations is updated from time to time by removing occupations which are no longer demanded by the labour market and by supplementing it with new ones. After the latest change, the List covers 210 occupations. For 55 of them vocational qualification standards exist and for 36 of them standards are currently under development. Updating and development of standards is a continuous process and corresponds to the dynamic changes of the labour market. In this phase further 30 vocational standards and

curricula shall be upgraded in one selected priority economic sector (different from the sector selected in Phase 1) in compliance with the annual survey on labour market needs conducted under Component I.

Training courses for improvement of the teacher's qualification shall be organized for 30 teachers from each of the 7 selected beneficiary schools. All teachers shall attend capacity enhancement courses in the field of adult training.

In the Sofia University there is a department for training of teachers. It is related with humanities and is not a specialized institution in the field of VET. This institute does not provide training on new technologies in VET or in work with specialized software. Neither does the Pedagogical Center to MES. For this reason all envisaged trainings in the project shall be carried out by TA support.

In this Phase the MES in compliance with the existing methodology shall select 7 beneficiary schools which shall be adequately refurbished and equipped in implementation of the VET school network optimization as part of the VET Strategy.

In this Phase other 100 vocational schools will be selected and supplied with computer equipment, relevant software and peripherals, with view to improving computers/students ratio in the Bulgarian schools, in compliance with the adopted ICT Strategy of MES. This shall help the schools to apply ICT in the teaching process as well as to have them integrated within the network covered by the WEB Gate in the 3rd Phase.

Particular information on the VET schools network as well as on training opportunities per professions, admission requirements of different VET schools and acquired levels of qualification shall be provided by a Web Gate which shall be established under the responsibility of MES. The Web Gate shall unify such information for all state VET schools thus making them easily accessible for candidate students, parents and teachers. The information on the Web Gate shall enable an easier communication between vocational schools, Regional Educational Inspectorates, Ministry of Education and Science, employers and other concerned institutions.

The particular activities shall be implemented by means of the following 5 contracts envisaged for this particular **Phase 2**:

Technical Assistance 1 for:

- upgrading of 30 vocational standards and curricula;
- development and provision of in-service teacher training - approximately 810 teachers in total trained, in new technologies for training per vocations under the elaborated curricula, foreign languages per vocations, training of adults, computer skills and applying specific software in the training per professions.

Technical Assistance 2 (Framework Contract) for

- preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools,
- drafting of ToR for establishment of a VET Web Gate.

This contract is envisaged to be implemented at the very beginning of the Phase 2 as it covers the above preparatory activities.

These activities shall be implemented within a period of approx. 8 months (including the contracting procedure) from the project start.

Refurbishment of the selected 7 vocational schools (Works contract).

Supply of training equipment for the selected 7 vocational schools and computer equipment, software and peripherals for 100 vocational schools.

Service Contract – for Supervision of Works and Supply contracts implementation. The implementation of this contract shall start not earlier than 1.5 years after the project start (i.e. after Works and Supply have been tendered and contracted) and its duration is at least 15 months.

- **Phase 3**

The main objective of Phase 3 will be to multiply the experience accumulated in Phases 1 and 2, in the upgrading of vocational standards and curricula as well as in teacher training. Further 8 schools will be selected for refurbishment and equipment. 900 teachers from selected schools by MES shall undergo in-service training for qualification improvement in the fields of work with new technologies, IT skills, foreign languages per vocations, adults training, etc.

Particular information on the VET schools network as well as on training opportunities, entry requirements and acquired levels of qualification shall be provided by a Web Gate which shall be established under the regulation of MES. The WEB Gate shall be established basing on the ToR and Technical Specification of the required equipment and software developed by the TA within the Phase 2. The data on the required room(s), maintenance budget and necessary staffing shall be estimated and proposed by the TA and shall be approved by MES.

The particular activities foreseen during the 3rd Phase shall be implemented by means of the following 5 contracts:

Technical Assistance 1 for:

- upgrading of 30 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs carried out under Component I;
- development and provision of in-service teacher training - to 900 teachers in total trained in new technologies for training per vocations under the elaborated curricula, foreign languages per vocations, training of adults, computer skills and applying specific software in the training per professions.
- establishment of VET Web Gate and relevant software.

Technical Assistance 3 (Framework Contract) for

preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 8 VET schools.

Refurbishment of the selected 8 VET schools (Works contract).

Supply of training equipment for the selected 8 VET schools and supply of equipment for the Web Gate (Supply contract).

Service Contract - Supervision (Works and Supply) for Supervision of works and supply contracts implementation.

3.5 Linked Activities:

The following activities financed by the Phare Programme, other external donors and Bulgarian Government have been implemented:

- Integrated development in the Pernik Region project - the management of Grant schemes is introduced for the first time with this project. This is a pilot project that provides technical and financial assistance to overcome the social impact of industrial restructuring in Pernik. The project objective was to implement a scheme to support job creation and environmental regeneration projects that assist redundant and workers regain employment;
- Steel and Mining Areas Employment Project BG 9915.01 (SMAEP) – the project was designed in 1999 in response to the ongoing restructuring of the steel and mining industry in the country. The project is implemented in 5 regions of the country, affected by the restructuring in the steel and mining industries – Pernik, Sofia, Bourgas, East Rhodopes and West Rhodopes. The total grant amounts to 10. 203 MEURO. The objective of the project is to contribute to the decrease of the social consequences caused by the restructuring of the Bulgarian economy by providing possibilities for training and retraining as well as opening of new jobs for unemployed from the steel and mining industries;
- BG 95.06-01.01 "Upgrading of Vocational and Educational Training (UVET)" – the project resulted in the adoption of a new VET law, the establishment of the National Agency of Vocational Education and Training and the provision of new curricula in a wide range of 18 occupational areas;
- Vocational Training Project under Phare Programme 2000 – the project was aimed at improving the employment prospects of the most disadvantaged groups within the labour force by improving access to vocational training which addresses the real needs of employers. The project activities were implemented in North West and South Central NUTS II regions and assisted unemployed and other disadvantaged groups to find employment by means of providing financial assistance for new relevant vocational training courses. Under the project Regional Labour Market Surveys was conducted. The survey is designed to enhance the relevance of vocational training and retraining by providing comprehensive information to the Ministry of Labour and Social Policy and the Ministry of Education and Science on the skill requirements of employers and the self-employed. 15 modular-based curricula per vocations in the identified priority economic areas were elaborated. Within the project 9 848 unemployed were trained and 3 255 employees were retrained. The total number of trained persons who were hired is 1 838;
- Renovating Vocational Training Institutes - under the Phare Programme 2000 was aimed at improving the quality of vocational training provision in the South Central and North West regions through the provision of better training facilities and their more effective

usage. A Manual for development a vocational training programme based on the modular approach has been developed. 7 vocational schools have been refurbished in this respect to ensure better training conditions;

- Labour Market Initiatives Project under Phare Programme 2001 - the overall objectives of the project were to reduce the level of unemployment and increase employment particularly among the disadvantaged groups. The main target group are young people at risk (school drop-outs and students with bad attendance records), young long-term unemployed people, ethnic minorities and people with disabilities. The activities include vocational training programmes, internships in companies, entrepreneurial training and consulting, and promotional services for new business start-ups;
- Social Inclusion Project under Phare Programme 2001 addresses the social and economic integration of the Roma, other ethnic minorities, the disabled and other disadvantaged people into Bulgarian society. The project envisaged development of educational, employment and entrepreneurship measures designed to raise literacy standards and improve competencies through employment, training and business support measures for the target groups;
- Life Long Learning and Vocational Education and Training Project - Phare Programme 2002 – the project is aimed at improving the adaptability and competitiveness of the work force through a Lifelong Learning system in accordance with the dynamics of the labour market, and to support the wider reforms of vocational education and training;
- Clearing the Path to Employment for Youths Project under Phare Programme 2002 – the project is focused on increasing the level of employability, adaptability and entrepreneurship of youths, 18-29 years old;
- Vocational Qualification Project under Phare Programme 2003 – the project is aimed at improving labour force mobility and competitiveness with a view to European labour market integration and to strengthen the institutional capacity for management and further developing the quality of vocational education and training in Bulgaria. Within the project shall be developed and agreed system for studying, identifying and monitoring employers' and employees for vocational training and trained staff to work with the system as well as strategy and methodology (ies) for vocational training of adults. 80 vocational qualification standards shall be upgraded following developments in European states and trained staff for elaboration and applying the standards;
- Alternative Employment under Phare Programme 2003 – the project is aimed at increasing the level of employability and entrepreneurship of the labour force in the context of the alternative employment within the targeted regions. Within the project shall be promoted alternative forms of businesses among newly established and existing SMEs in the targeted regions. The measures are designed to give the unemployed access to training and retraining related to the alternative forms of business; provision of entrepreneurship training courses in alternative forms of business for employers (newly established and existing SMEs) and unemployed willing to start their own business; provision of business consulting services to micro and small sized existing enterprises and newly established firms.

- Development of an adult training centre network Project under Phare 2004 (Early Financing Memorandum) is focused on establishment of a system for vocational training of adults corresponding to the needs of a dynamic market economy. Within the project shall be identified measures for institutional building of the structure of the national system for vocational training of adults and a National Management Unit will be established. Administrative staff on the national, regional and local and training staff of the training centers network trained to work within the national system for adults training will be trained. 7 Training Centers for adults training shall be organized;
- Establishment of Bulgarian-German Centers for vocational training in the cities of Stara Zagora, Pleven and Pazardjik Project (Government of the Republic of Bulgaria and Government of the Federal Republic of Germany) - establishment of the 3 centers for vocational training;
- Vocational training Project under Program for co-operation between the Ministry of Labour and Social Policy of the Republic of Bulgaria and the Ministry of employment and solidarity of the Republic of France, 2002;
- Job Opportunities through Business Support project (JOBS), addresses the Bulgarian unemployment issue by creating sustainable long-term jobs through assisting micro and small business development in the rural areas. The established network of 24 Business Centres/Incubators/Information Centres provides support to start-up and existing local businesses and agricultural producers through consulting, office and informational services, training/seminars and a financial leasing scheme. The project's beneficiaries are varied and include the unemployed, small entrepreneurs and minority groups (Roma and Turk);
- The Micro-credit guarantee scheme established by the MLSP at the end of 2001 eases the access to credits for start-ups, existing micro firms and particularly focuses on the disadvantaged groups of the communities. The objective is to help the more proactive members of society to help themselves (and rely less on the State) through self-employment, micro or small businesses;
- Studying the employers' needs of labour force with particular vocational qualification project, funded by the State budget. The project will be implemented on a national base. To this aim a single national survey among the employers will be conducted. The company will be contracted by the National Employment Agency. The project duration is 3 months. The project is focused on studying the specific employers' needs from skilled labour force, examination and preparation to put into practice such kind of employers needs surveys on a regular basis, establishment an effective social partnership for teamwork on the regional and national levels with a view to the further studies carrying out;
- From Social Assistance to Employment Programme, funded by the state budget. In 2003 the Bulgarian government allocated BGN 217 million of the BGN 327 million for active labour market measures for this programme. The programme is concentrated on temporary work schemes, especially for long-term unemployed, as well as on provision of complementary training. Sustainable job creation has been declared a main priority of the Bulgarian government for a nationally coherent employment policy.

3.6 Lessons learned:

Ministry of Labour and Social Policy, in coordination with the Ministry of Education and Science, has developed this project on the basis of its experience with programming, implementing and monitoring of the projects which have been implemented under previous National Phare Programmes. A number of generic lessons have been learned in course of the implementation of the above projects. The most outstanding ones can be summarized as follows:

- To complete specially targeted survey for the project purposes;
- To improve the project management at organizational level between DEC, NAC, IAs and PIUs so as to ensure the project implementation within the relevant contracting and disbursement deadlines of the Financing Memorandum;
- To make available the necessary staff responsible for project implementation (Implementing Agency and PIU and developed relevant regional structures);
- To ensure the quality of the administrative capacity of the implementing structures (training to be provided whenever necessary);
- To ensure staff continuity in the event of staff changes in the implementing bodies;
- To ensure good partnership between Bulgarian institutions, especially in cases of common projects under Phare Programme;
- To improve the quality of ToRs and Technical Specifications prepared by consultant teams;
- To ensure the quality of the provided services by avoiding reduction of the number of contracts, envisaged for the proper implementation of the project activities.

The management of Grant schemes was introduced for the first time with the *Integrated development in the Pernik Region* project and was further developed in the *Steel and Mining Areas Employment Project (SMAEP)*. Thus a significant knowledge on national and local level has been accumulated and will be used for the successful implementation of the current project.

The project builds up the experience gained in the implementation of the projects funded by Phare Programme, other international donors and national programmes. In the process of design and development of the project the following lessons learned were or will be taken into account:

- Well organized promotional campaigns and seminars and trainings to the potential applicants

One of the strengths of SMAEP was the large-scale publicity for funding opportunities, provided through the Grant Scheme. Information campaign was well prepared accompanied by extensive trainings and effective partnerships with the local key stakeholders. Complete Application package with Guidelines to Applicants was developed and distributed to a large number of training sessions, through Internet, and the regional offices of the Programme.

- An even distribution of the project contracted by regions

It is necessary that the total grant amount to be allocated by regions, is based on the data from the Employment Agency and a preliminary assessment of the potential absorption capacity of the targeted regions.

- Duly implementation of the grant scheme in order to guarantee the relevance of the grant scheme activities to the labour market survey outputs.

Experience gained in previous projects shows that any delay between project design and start of implementation may reduce the relevance of the project or may modify priorities. The management bodies should have the *flexibility to make some modifications* in target regions, target groups and eligible activities, when these are imposed by the changed environment.

- In entirely national calls for proposals, small municipalities that lack access to external expertise and experience in project development are put in a disadvantaged position. It seems feasible that regional quotas be applied in the Grant schemes in the future.
- In case of large schemes that would apply innovative interventions, pilot schemes should be designed so that sufficient time is available prior the start up of the main Scheme to take advantage of the lessons learned from the pilot scheme.
- Partnership with the local key stakeholders (members of Regional Employment Commissions) was an efficient tool for the promotion of the programme.
- A positive element of the SMAEP management was setting up of Regional structures of the Implementing Agency. They promoted the programme in the target regions and provided assistance in SMAEP projects implementation. SMAEP contributed significantly to building capacity at national and local level for grant scheme management.
- It is very important to make proper selection of the unemployed who will take part in training as well as selecting the vocations, in which beneficiaries will be trained. Previous experience shows that the selection is determined to a great extent either by the *demand* of potential beneficiaries or by the current and prospective labour market demands. The vocations, which are offered to the target groups must be related to the needs assessment and detailed analysis of the labour demands.
- The quality of the training and the business consultancies in terms of entrepreneurship courses were also highly valued. Promotion of entrepreneurship, especially to unemployed, needs in addition, provision of short-term training and consultancy support (during the project lifespan).
- Visibility of the particular project is very important. The previous Programmes and the implemented projects were promoted through media, organisation of regular press-conferences, information days, training seminars, publication of printed promotion materials – leaflets, posters, project Internet site, etc. A special publication with the best practices was printed and distributed at a national conference and to all interested organisations.
- The process of the elaboration of vocational standards and curricula, as well as the provision of adequate teacher training shall continue taking into consideration the best practices of the ongoing VET reform. This process is closely connected with monitoring and evaluation of the provided vocational training and also with VET schools network optimization.

4. Institutional Framework

The key parties in the project management and implementation are the MLSP, MES, Employment Agency and its regional structures (“Regional Employment Service” Directorates (RESDs) and “Labour Office” Directorates (LODs)), National Agency for Vocational Education and Training,.

A Memorandum of Understanding (MoU) between MLSP and MES will be signed aiming at outlining the responsibilities of the institutions.

The Ministry of Labour and Social Policy is the **Implementing Agency (respectively Contracting Authority) of the project as its Directorate “European Funds, International Programmes and Projects”** is mandated to be Future Managing Authority of Human Resources Development Operational Programme.

The MLSP will manage and administrate the project through **the Programme Authorizing Officer (PAO)**. The Directorate **“European Funds, International Programs and Projects” (DEFIPP)** will be acting as the administration of the IA / PAO. The regional representatives of MLSP - 28 regional coordinators and 28 financial experts in all 28 District in Bulgaria (NUTS III Regions) will participate in the project implementation within the regions.

As the project comprises a large number of activities, which are different in their nature and are under the responsibilities of the two ministries (MLSP and MES) they are divided in two relatively autonomous components. For this reason it is envisaged two PIUs to be established – one PIU in the Employment Agency and one PIU in the MES. The PIUs will be coordinated in their activities by the IA.

The Project Steering Committee (PSC)

The PSC will oversee the implementation of the project activities. It will provide strategic project direction and guidance to the key stakeholders involved in the project. The PSC comprises representatives of the MLSP, MES, Ministry of Economy, National Culture Fund, Employment Agency, National Agency for Vocational Education and Training, Agency for Social Assistance, employers’ associations, trade unions.

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 beneficiary vocational schools (a total number of 220 for Phase 1 and Phase 2) which shall be supplied with computer equipment, relevant software and peripherals will be selected by the MES.

Programme Authorizing Officer (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 – Implementing Agency

The overall administrative and financial management is the responsibility of the MLSP. This includes:

- Overall coordination of the project implementation;
- Preparing and submission of procurement documentation based on inputs from the PIU, contracting and contracting procedures of works, supplies, goods and grants;
- Negotiations of contracts;
- 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.

PIUs

The PIUs will be in charge of the technical implementation and day-to-day administration of the project. The PIU situated in the Employment Agency, consisted of representatives from the EA and the MLSP shall provide technical implementation of the activities, which are in the responsibilities of the MLSP. The existing Phare PIU at MES will provide technical implementation of the activities, which are in the responsibilities of MES, according to the signed MoU.

Regional structures of the project

The MLSP will actively involve in the implementation process its regional representatives. Specifically the regional representatives will take part in the following activities:

- Promotional and informational campaign of the Grant scheme;
- Giving guidance and information to potential applicants;
- Monitoring of the sub-projects;
- Preparation of quarterly reports on the project progress for the subsequent region.

5. Detailed Budget

<i>€M</i>	<i>Phare/Pre-Accession Instrument support</i>	<i>Co-financing</i>			<i>Total Cost</i>
		<i>National Public Funds (*)</i>	<i>Other Sources (**)</i>	<i>Total Co-financing of Project</i>	
<i>Year 2004 *</i>	8.452			2.817	11.269
<i>Investment support</i>		2.817			
<i>Year 2004 IB support</i>	2.3				2.3
<i>Total project 2004</i>	10.752	2.817		2.817	13.569

Year 2005 / Phase 2	Phare/Pre-Accession Instrument support	Co-financing			Total Cost
		National Public Funds (*)	Other Sources (**)	Total Co-financing of Project	
€M					
Investment support jointly co funded					
Grant Scheme for employment creation and promotion of employability and entrepreneurship	5.850	1.950		1.950	7.800
Supply Contract	2.250	0.750		0.750	3.000
Works Contract	1.050	0.350		0.350	1.400
Service contract – Supervision (Works & Supply)*	0.075	0.025		0.025	0.100
TA 2 (drawing up TS and BoQ)	0.15	0.05		0.05	0.2 (a)
Investment support – sub-total	9.375	3.125		3.125	12.5
<i>% of total public funds</i>	<i>max 75 %</i>	<i>min 25 %</i>			

(a) up to €0.2 M

TA is considered as investment support according to the requirements for preparation of the budget as it comprises of activities aimed at preparation of Bills of Quantities and Technical Specifications

In case of parallel co-funding (per exception to the normal rule, see special condition as indicated below: **Not applicable**)

Year 2005 Institution Building support					
Technical Assistance 1	0.7			0.7	
IB support	0.7			0.7	
Total project 2005	10.075	3.125		3.125	13.2

<i>indicative Year 2006</i> <i>Investment support</i>	9.45	3.15		3.15	12.6
<i>indicative Year 2006</i> <i>IB support</i>	1.0				1.0
Total (indicative) project 2006	10.45				13.6

(*) contributions from National, Regional, Local, Municipal authorities, FIs loans to public entities, funds from public enterprises

(**) private funds, FIs loans to private entities

The national co-financing will be provided by the National Fund Directorate at the Ministry of Finance. All operational and running costs and the maintenance of the equipment will be provided by the final beneficiaries.

6. Implementation Arrangements

a. Implementing Agency

The Implementing Agency (IA) is the Ministry of Labour and Social Policy through the Directorate “European Funds, International Programmes and Projects”. The IA will be responsible for the administrative and financial implementation of the project activities.

The PAO will be:

Mr. Rumen Simeonov

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b. Twinning

Not applicable

c. Non-standard aspects

Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions will be fully followed in all project phases and all procedures.

Under the project BG0004.04 “Renovating of Vocational Training Institutes” it was envisaged 7 vocational schools in the North West and South Central Planning regions to be refurbished and provided with training equipment. While the refurbishment is already completed, the supply of training equipment, amounting to 1 420 000 Euro, could not be contracted.

By the deadline (31.12.2003) provided for in the Financing Memorandum 2000, no contracts were signed between the Implementing Agency (MRDPW) and nominated tenderers for supply of equipment to the 7 vocational schools. Basing on a letter issued by the

Implementing Agency, by 31 December 2003 the EC Delegation had not given their approval of the selected successful tenderers proposed in the Evaluation Report.

In this connection it is suggested the equipment envisaged in the failed supply tender to be included in the activities under Phase 1 of the present project as a separate Supply contract, so as to alleviate the condition of the 7 vocational schools and to ensure the achieving of the initial project objectives. The specifications of the equipment for the schools are available, alongside with reliable cost estimations which will make the tendering procedure under the international open tender, an easy one.

The Tender Dossier of the failed tender is also available and with only slight modifications (dates and some other data) will allow the tendering procedure to start early in 2005.

d. Contracts

Activities proposed under this project will be implemented through Technical Assistance, Works contracts, Supply contracts and Grant schemes. In order to encourage local involvement and to enhance effective management of the grant schemes, a call of proposals for the relevant activities will be issued amongst appropriate organizations that will further implement the activities foreseen.

The table below summarizes the possible breakdown of contracts under the project.

PHASE	TYPE OF CONTRACT	PROJECT ACTIVITY
Phase 1	Technical Assistance 1	Conduction of a national survey on labour market needs; Promotional campaign of the Grant schemes; Provision of training and seminars in the area of OSH for employers, training providers, consultancy organizations, social partners and other interested institutions.
	Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force	Component I –Employment creation: Investment support for job creation; Training of unemployed who will be hired by the company; Retraining of the already employed within the companies; Business consulting services for newly established businesses; Consultancy services for the establishment of systems for effective human resources management and development within the enterprises. Component II - Fostering entrepreneurship: training for potential entrepreneurs;
	Technical Assistance 2	Development of a VET Strategy, development of Implementation Plan, preparation of ToR for provision of the services envisaged in Service contract

		<p>relating to the upgrading of vocational training standards, teacher training and the design of a model of NAU.</p> <p>Upgrading of 20 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs; development and provision of in-service teacher training; development of an effective model of the status and functions of a NAU.</p>
	Technical Assistance 3 (FWC)	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 6 VET schools.
	Works contract	Refurbishment of the selected vocational schools
	Supply contract 1 (6+120 schools)	Supply of training equipment for the selected vocational schools
	Service contract - Supervision (Works & Supply)	Supervision of Works and Supply contracts implementation
	Supply contract 2 (7 schools)	Supply of training equipment for 7 vocational schools under BG 0004.04 "Renovation of Vocational Training Institutes" Project
Phase 2		
	Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force	<p>Component A –Employment creation: Investment support for job creation; Training of unemployed who will be hired by the company; Retraining of the already employed within the companies; Business consulting services for newly established businesses; Consultancy services for the establishment of systems for effective human resources management and development within the enterprises.</p> <p>Component B - Fostering entrepreneurship: training for potential entrepreneurs.</p> <p>Component C – Grant Scheme for further development of an adult training centres network (as part of the national system for vocational training of adults) - Elaboration of training programs in correspondence to national survey outputs; Provision of the tailor-made vocational training courses to the beneficiaries; Small renovation of the existing buildings of the centres; Procurement of equipment for the effective provision of the training activities.</p>

	Technical Assistance 1	Upgrading of 30 vocational standards and curricula, development and provision of in-service teacher training;
	Technical Assistance 2	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools
	Works contract	Refurbishment of the selected vocational schools.
	Supply contract (7+100 schools)	Supply of training equipment for the selected 7 VET and supply of computer equipment for selected 100 VET schools.
	Service contract – Supervision (Works & Supply)	Supervision of works and supply contracts implementation.
Phase 3		
	Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force	Continuation of the Grant Scheme under Phase 2
	Technical Assistance 1	Upgrading of 30 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs; development and provision of in-service teacher training;; establishment of VET Web Gate and relevant software.
	Technical Assistance 2 (Framework Contract)	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 8 VET schools.
	Works contact	Refurbishment of the selected vocational schools.
	Supply contact	Supply of training equipment for the selected schools and supply of equipment for the Web Gate.
	Service contact – Supervision (Works & Supply)	Supervision of works and supply contracts implementation.

2. Implementation Schedule

Only for Phase 1 of the project

Commencement of the project (organizational arrangements completed) – January 2005

Start tendering of Technical Assistance 1 – May 2005

Start of activities by TA 1 – December 2005
Start of call for proposals under Grant scheme – April 2006
Start of the activities under the Grant scheme – September 2006
6. Start tendering of Technical Assistance 2 – June 2005
Start of activities by TA 2 – January 2006
8. Start tendering of Technical Assistance 3 (FWC) – April 2005
Start of activities by TA 3 (FWC) – July 2005
Start tendering of Works contract – December 2005
Start activities under Works contract – May 2006
Start tendering of Supply contract 1 – December 2005
Start of activities under Supply contract 1 – August 2006
Start tendering of Service contract – Supervision (Works&Supply) – September 2005
Start of activities under Service contract – May 2006
Start tendering of Supply contract 2 – May 2005
Start of activities under Supply contract 2 – November 2005
Disbursement period (Phase 1) expires - November 2008

Implementation Schedule for Phase 2

Start of call for proposals under Grant scheme – October 2006
Start of the activities under the Grant scheme – March – April 2007
Start tendering of Technical Assistance 1 – April 2006
Start of activities by TA 1 – January 2007
Start tendering of Technical Assistance 2 (FWC) – January 2006
Start of activities by TA 2 (FWC) – May 2006
Start tendering of Works contract – December 2006
Start activities under Works contract – May 2007
Start tendering of Supply contract – December 2006
Start of activities under Supply contract – August 2007
Start tendering of Service contract – Supervision (Works&Supply) – November 2006
Start of activities under Service contract – May 2007

3. Equal Opportunity

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

7. Environment

Generally, the project has no environmental impact. Nevertheless it is possible some of the individual micro projects to have environmental dimensions. They will be taken into consideration in the process of grants' approval.

8. Rates of return

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

9. Investment criteria (applicable to all investments)

a. Catalytic effect

The project will support the adapting of the human resources to the demands of the labour market and will develop patterns for sustainable employment and active labour market policies.

While some of the activities will be implemented as a grant scheme co-financing will be required by the awarded applicants. The project will encourage active participation of different organizations in activities related to employment promotion and increasing employability, adaptability and competitiveness of the human resources.

The improved quality and range of VET will increase the labour force employability. The introduction of new technology into VET programmes is also likely to increase overall labour mobility. In addition the project will support the activities relating to the development of the Lifelong Learning concept. Besides, the professional capacity of trainers shall be improved. It is expected that the project results will stimulate the establishment of good cooperation between employers, social partners and vocational schools/training providers so as to enable all parties concerned take an active role in the training process. The positive experience accumulated from this project will be transferred to other VET schools in other regions.

b. Co-financing

All aspects of the program are based upon co-financing between Phare and the National Government on a 75:25 basis. As it was mentioned an additional co-financing will be expected in terms of contribution from the successful grant applicants. The co-financing of the successful applicants will in accordance with the State Aids provisions of the European Agreements.

"The Phare contribution for investment costs will be no more than 75% of eligible public expenditure, the balance having to be covered by the national co-financing. The national co-financing will be provided by the National Fund Directorate at the Ministry of Finance. All operational and running costs and the maintenance of the equipment will be provided by the Bulgarian authorities.

If the total cost of such investment is less than the amount envisaged in the fiche, the amount of Phare support will be reduced to maintain unchanged the relative proportions of Phare support and national co-financing shown in the fiche. If the total cost is greater than the amount envisaged in the fiche, the extra funding required will be provided by additional national co-financing or the cost reduced, consistent with the respective roles and responsibilities of the concerned Bulgarian agencies laid down in the Memoranda of Understanding setting up the NF and the CFCU.

c. Additionality

EU finance will be additional to that allocated to the national active labour market policy schemes through national budget funds, Bulgarian Social Investment Fund, Governmental Micro-Credit Guarantee Scheme and private contributions.

d. Project readiness and size

The project budget will exceed the minimum of 2 M EURO required by the Phare Programme for the investment projects.

The MLSP has met the minimum criteria for effective management of Phare funds. The latter ensures significant level of management preparedness.

Within the project will be designed and conducted as a pilot a national survey on labour market needs. This survey will establish a methodology for regular survey on the labour market needs and will be further developed by the MLSP. On the basis of the survey outputs will be specified the vocational standards and curricula that shall be upgraded, relevant teachers training as well as the Grant Scheme development.

It is also envisaged a VET Strategy to be developed. MES, MLSP, NAVET and social partners shall be involved in the elaboration of the VET Strategy in the LLL context and providing design of an implementation plan with clearly defined roles and responsibilities. Consultant team of experts shall support MES in the overall process on elaboration of the VET strategy including: selection a few occupational families, where newly curricula shall be developed; studying of good practices in the EC-member states in development of criteria of VET school network optimization; studying of good practices in the EC-member States for identification of functions for institution building of the National Unit for Assessment of the Quality and the Effectiveness of the vocational education and training.

e. Sustainability

The project is in compliance with the existing legislation, which is designed on the principles of rationalization and decentralization of the activities. On this base the active participation of the regional structures of MLSP is envisaged and guaranteed in this project.

The activities proposed under the project correspond to the priorities of the Government priorities in the field of employment, labour market and vocational education and training. The activities and measures envisaged are an integral part of the active labour market policies, persuaded by the MLSP as well as of the vocational education and training policy, pursued by MES. The MLSP will guarantee future sustainability of similar activities.

The selected beneficiary schools are state owned and shall continue to function and to be financed by the national budget in the future.

f. 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.

10. Conditionality and sequencing

Conduction of the national survey on labour market needs and elaboration of the VET Strategy are over-riding priorities and should start as quickly as possible on order to guarantee further development of the project activities.

First steps in this direction have already been made. ETF's report on continuing vocational training in the context of life long learning, developed jointly with experts of MES and MLSP, reviews the status of VET in Bulgaria. The major conclusions and recommendations of this report have been taken on board in the Continuing Training Strategy. This Strategy was adopted by the Council of Ministers by Decision No. 38.1/14.10.2004. The corresponding Action Plan for 2005 has also been developed. These two documents and the Strategy of Secondary General Education developed by MES shall serve as a basis for the development of an overall VET strategy in the Life long learning context.

Another pre-condition for the successful implementation of the envisaged activities under Component 2 "Improvement of the Vocational Education and Training System" is the existence of legislative grounds providing the opportunity for establishment of a National Assessment Unit.

The provision of equipment to schools as mentioned in different phases is dependent on a clear picture of the system of VET schools and their state of existing and planned equipment in Bulgaria (e.g. adoption of the National Education Strategy for the integration of ICT into school education) as well as a clear and unbiased decision making procedure to select VET schools to be equipped.

Needs assessment for investment components.

Key milestones will be:

- A Memorandum of Understanding between MLSP and MES signed prior the project commencement;
- The National survey on labour market needs that will be carried by the TA 1 to be completed as early as possible;
- Establishment of PSC and PIUs for the implementation of the project;
- Calls for proposals and entry into the contracting phase under the Grant scheme;
- Implementation of the activities;
- Final Evaluation Report.

ANNEXES TO PROJECT FICHE

1. **ANNEX 1** Logical framework matrix in standard format
2. **ANNEX 2** Detailed implementation chart
3. **ANNEX 3** Contracting and disbursement schedule by quarter for full duration of programme (including disbursement period)
4. **ANNEX 4** Reference to feasibility/pre-feasibility studies
5. **ANNEXE 5** List of relevant Laws and Regulations

6. **ANNEXE 6** Reference to relevant Government Strategic plans and studies
7. **ANNEXE 7** Justification for integration of the Supply component of the project BG0004.04 “Renovating of Vocational Training Institutes” into the present Project Fiche

ANNEX 1
Phare log frame

LOGFRAME PLANNING MATRIX FOR Project Human Resources Development and Promotion of Employment		Programme name and number	
		Contracting period (Phase 1): expires November 2006	Disbursement period (Phase 1) expires: November 2007
		Total budget (Phase 1): 13.569 MEUR	Phare budget (Phase 1): 10.752 MEUR
		Total budget (Phase 2): 13.200 MEUR	Phare budget (Phase 2): 10.075 MEUR
		Total budget (Phase 3): 13.600 MEUR	Phare budget (Phase 3): 10.4 MEUR
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
To advance Bulgaria's labour market transformation and to make progress in adapting the employment system so as to be able to implement the European Employment Strategy and to prepare for accession to the EU	<ul style="list-style-type: none"> ➤ Employment services ready to start ➤ implementing the European Employment Strategy; ➤ Procedures, tools and structures to implementation of ESF type measures; ➤ Percentage increase in number of trained people with basic skills; ➤ Number of new jobs created and retained one year after project 	National Statistics Institute Reports; Reports from MLSP, MES, NAVET, EA; Bulletin of MES; Ex-post evaluation surveys; Official reports from international institutions.	

	<p>completion;</p> <ul style="list-style-type: none">➤ Socio-economic situation in regions improved <p>Achievement of alignment with Council Directive 92/51/EEC</p>		
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Project purpose	Objectively Verifiable Indicators (applicable for all Phases)	Sources of Verification	Assumptions
<ul style="list-style-type: none"> • Development of an effective system of labour market needs analysis and the promotion of more effective active labour market policies; • Development and implementation of an effective strategy and framework for life long learning incorporating reform of the VET system (IVET and CVT) as well as further implementation of the adult learning strategy. 	<p>Development of regular survey on labour market needs; Improved Adult Training Centres network; Approximately 3000 people placed to new sustainable jobs; Success of programmes in job creation - at least 70 % of people placed will retain the job after one year; Approximately 6000 unemployed and employed trained; Approximately 2000 people from disadvantaged target groups participated in entrepreneurship training programmes; VET Strategy developed; Standards and curriculum upgraded; Vocational schools refurbished and reequipped; Computer halls established in 220 vocational schools and access to Internet;</p> <p>VET Web gate established.</p>	<p>National Statistics Institute Reports; The Reports of the Employment Agency; Reports of MES; Reports of the PIUs; Ex-post evaluation surveys.</p>	<p>Stable macroeconomic conditions Public Support Sustainable economic growth; Entities willing to participate in the project activities</p>

Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
<p>Phase 1 I. Component 1 – Active Labour Market Actions Phase 1</p> <ul style="list-style-type: none"> – Labour market survey completed, including institution building measures for local stakeholders to carry out the survey on a regular basis (during the next phases); – Impact assessment of training and active labour market measures; – Developed and implemented schemes for training of potential entrepreneurs – approximately 700 potential entrepreneurs trained in entrepreneurial and management skills; – Developed and implemented job creation schemes involving both investment support and training – about 50 grants awarded for job creation for people at disadvantage on the labour market. <p>Component 2 – Improvement of Vocational Education and Training System</p> <ul style="list-style-type: none"> – Developed a VET Strategy in LLL context including vocational standards and curricula reform, criteria for 	<ul style="list-style-type: none"> - National survey on labour market needs conducted - Number of training seminars carried out - Number of informational brochures created and disseminated among potential applicants - Number of potential applicants attended the promotion seminars - Number of new jobs created - Number of unemployed trained - Number of employed retrained - Number of potential entrepreneurs trained; - Number of trainees trained by the centres - Number of training programmes developed <ul style="list-style-type: none"> - VET Strategy and Implementation Plan developed - Number of curricula and vocational 	<ul style="list-style-type: none"> - TA reports - Documentation developed by the TA - PIUs reports - Employment Agency reports - Reports of the PIUs on the progress of the works <ul style="list-style-type: none"> - Contracts signed for the refurbishment of schools and for the supply of 	<ul style="list-style-type: none"> - Motivation and willingness of employers to create new jobs; - Motivation and possibility of people to start-up own businesses; - Availability of framework requirements for the structure and contents of curricula per vocations; - Requirements of the employers in respect of correspondence between vocational qualification and contemporary equipment and technologies; - Personal motivation and willingness of trainers to participate in the proposed activities; - Community involvement and support from social partners.

<p>VET school network optimization, teacher training reform, a model for an effective VET assessment;</p> <ul style="list-style-type: none"> - Design of a Strategy Implementation Plan with clear institutional roles and responsibilities, annual time schedule, criteria for selection of schools, etc. - Reform of vocational standards and curricula continued with 20 standards upgraded focused on high economic priority areas in compliance with the results of the national survey on labour market needs; - 6 selected schools refurbished and re-equipped; - Analysis and recommendations made for VET and related institutional development; - Appropriate teacher training based upon identified needs developed - in-service teacher training of 180 teachers from the selected beneficiary schools conducted; - An effective model of status of the National Assessment Unit for VET assessment developed in the context of LLL; - 7 vocational schools under BG 0004.04 "Renovation of Vocational Training Institutes" 	<p>standards upgraded</p> <ul style="list-style-type: none"> - Number of vocational schools refurbished and re-equipped with new equipment for vocational training - Number of teachers trained - Model of status of the National Assessment Unit developed - Number of VET schools supplied with computer equipment, relevant software and peripherals - Number of established computer halls in each of the selected schools and access to Internet 	<p>equipment</p> <ul style="list-style-type: none"> -Annual reports from beneficiary schools; -Monitoring reports.
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<p>Project (Phare Programme 2000) equipped with training equipment;</p> <ul style="list-style-type: none"> - 120 vocational schools supplied with computer equipment, relevant software and peripherals. 		
<p>Phase 2 Component 1 – Active Labour Market Actions</p>		
<ul style="list-style-type: none"> - Developed Adults training Centres - about 10 grants awarded for delivery of training to meet identified needs of the regional labour markets; - Developed and implemented schemes for training of potential entrepreneurs - about 700 potential entrepreneurs trained in entrepreneurial and management skills; - Developed and implemented job creation schemes involving both investment support and training - about 60 grants awarded for job creation for people at disadvantage in the labour market. 	<ul style="list-style-type: none"> - Number of new jobs created; - Number of unemployed trained; - Number of employed retrained; - Number of potential entrepreneurs trained; - Number of adults training centres developed; - Number of trainees trained by the centres; - Number of training programmes developed. 	
<p>Component 2 - Improvement of Vocational Education and Training System</p>		
<ul style="list-style-type: none"> - A further 30 national vocational standards and curricula upgraded 	<ul style="list-style-type: none"> - Number of curricula and vocational 	

<p>in a selected priority economic sector different from Phase 1, in compliance with the annual survey of labour market needs;</p> <ul style="list-style-type: none"> - 7 vocational schools refurbished and re-equipping; - Appropriate teacher training for 810 teachers from the selected vocational schools delivered; - 100 vocational schools supplied with computer equipment, relevant software and peripherals. 	<p>standards upgraded</p> <ul style="list-style-type: none"> - Number of vocational schools refurbished and re-equipped with new equipment for vocational training - Number of teachers trained - Number of vocational schools supplied with computer equipment, relevant software and peripherals - Number of established computer halls in each of the selected schools and access to Internet 		
<p>Phase 3</p> <p>I. Component 1 – Active Labour Market Actions</p> <ul style="list-style-type: none"> - Developed Adults training Centres for delivery of training to meet identified needs of the regional labour markets; - Developed and implemented schemes for training of potential entrepreneurs; - Developed and implemented job creation schemes involving both investment support and training. <p>II. Component 2 - Improvement of Vocational Education and Training System</p> <ul style="list-style-type: none"> - A further 30 vocational standards and curricula upgraded according to the annual survey of labour market needs aiming at 	<ul style="list-style-type: none"> - Number of new jobs created - Number of unemployed trained - Number of employed retrained - Number of potential entrepreneurs trained - Number of adults training centres developed - Number of trainees trained by the centres - Number of training programmes developed 		

<p>multiplication of the experience gained by the selected economic sectors of Phases 1 and 2 to other vocational families in the same sectors;</p> <ul style="list-style-type: none"> - Appropriate teacher training for 900 teachers from the selected vocational schools delivered; - VET Web Gate and relevant software established and supplied with necessary equipment; - 8 vocational schools refurbished and re-equipped. 	<ul style="list-style-type: none"> - Number of curricula and vocational standards upgraded - Number of vocational schools refurbished and re-equipped with new equipment for vocational training - Number of school teachers trained; - VET Web Gate – in place and operational 		
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<p>II. Component 2 - Improvement of Vocational Education and Training System</p> <p>1. Technical Assistance 2 for:</p> <ul style="list-style-type: none"> - development of a VET Strategy; - development of Implementation Plan; - upgrading of 20 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs; - development and provision of in-service teacher training -180 teachers from the 6 beneficiary schools; - development of an effective model of the status and functions of a National Assessment Unit <p>2. Technical Assistance 3 for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 6 VET schools.</p> <p>3. Refurbishment of the selected 6 vocational schools</p> <p>4. Supply of training equipment for the selected 6 vocational schools and computer equipment, relevant software and peripherals for 120 vocational schools</p> <p>5. Service contract for Supervision of works and supply contracts implementation</p> <p>6. Supply of training equipment for 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project (Phare Programme 2000)</p> <p>Phase 2</p> <p>I. Component 1 - Active Labour Market Actions</p> <p>Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force</p> <ul style="list-style-type: none"> Call of proposals and selection procedures; Execution of the Grant schemes; Monitoring of grants implementation. <p>A) Grant scheme for employment creation – Component A</p> <p>B) Grant Scheme for fostering the entrepreneurship – Component B</p>	<p>Service contract signed</p> <p>Framework contract signed</p> <p>Works contract signed</p> <p>Supply contract 1 signed</p> <p>Service contract signed</p> <p>Supply contract 2 signed</p> <p>Grant scheme– Launching a Call for</p>	<p>possibility to replicate successful results</p>
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<p>Phase 3</p> <p>I. Component 1 – Active Labour Market Actions</p> <p>Grant Scheme for employment creation, promotion of employability and entrepreneurship of the labour force Call of proposals and selection procedures; Execution of the Grant schemes; Monitoring of grants implementation.</p> <p>A) Grant scheme for employment creation – Component I B) Grant Scheme for fostering the entrepreneurship – Component II C) Grant Scheme for further development of an adult training centres network - Component III</p> <p>All activities under this Phase will be a continuation of the Grant scheme under Phase 2</p> <p>Component 2 – Improvement of Vocational Education and Training System</p> <ol style="list-style-type: none"> 1. Technical Assistance 2 for: <ul style="list-style-type: none"> - upgrading of 30 vocational standards and curricula in a selected priority economic sector in compliance with the results of the national survey on labour market needs; - development and provision of in-service teacher training - to 900 teachers in total; - establishment of VET Web Gate and relevant software. 2. Technical Assistance 2 (FWC) for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools. 3. Refurbishment of the selected 8 VET schools. 4. Supply of training equipment for the selected 8 VET schools and supply of equipment for the Web Gate. 	<p>Grant scheme – Launching Call for proposals</p> <p>Service contract signed</p>	
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5. Service contract for Supervision of works and supply contracts implementation.	FWC signed Works contract signed Supply contract signed Service Contract signed	
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- Preconditions:**
- Political support for the project;
 - Conduction of the national survey on labour market needs;
 - Successful implementation of previous Phare projects;
 - Elaboration of a VET Strategy and Implementation Plan;
 - MoU signed between MLSP and MES.

ANNEX 2

Implementation Chart – Human Resources Development and Promotion of Employment

Phase 1

Components	2004	2005												2006												2007			
	Q 4	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Q 1	Q 2	Q 3	Q 4
Operational PIU	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	
Operational PSC	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	
TA 1 tendering and contracting					X	X	X	X	X	X																		X	
Start of activities by TA 1											X	X	X	X	X	X	X	X	X										
CfPs under Grant scheme															X	X	X	X	X										
Start of activities under GS																				X	X	X	X	X	X	X	X		
TA 2 selection and contracting		X	X	X	X	X	X	X	X	X																			
Start of activities by TA 2											X	X	X	X	X	X	X	X	X										
TA 3 tendering and contacting						X	X	X	X	X	X	X																	
Start of activities by TA 3													X	X	X	X	X	X	X	X									
TA 4 (FWC) selection and contracting					X	X	X																						
Start of activities by TA 4							X	X	X	X	X																		
Works contract – tendering and contracting												X	X	X	X	X	X												
Refurbishment of the selected schools																		X	X	X	X								
Supply contract 1– tendering and contracting												X	X	X	X	X	X	X	X										
Supply of the equipment of the selected schools																				X	X								
Supervision - tendering and contacting									X	X	X	X	X	X															
Start of Supervision activities															X	X	X	X	X	X									
Supply contract 2 - tendering and contracting					X	X	X	X	X	X																			
Supply of the equipment of 7 schools											X	X	X																
Monitoring											X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Final Evaluation																										X	X		

ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENTS SCHEDULES – Human Resources Development and Promotion of Employment - Phase 1

Figures in MEURO

<i>Project title:</i> HUMAN RESOURCES DEVELOPMENT AND PROMOTION OF EMPLOYMENT															
Contracting	Cumulative contracting schedule by quarter in €m (provisional)														Total
	2004		2005				2006				2007				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TA Contract 1						0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Grant Scheme									6.3	6.3	6.3	6.3	6.3	6.3	6.300
TA Contract 2						0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600	0.600
TA Contract 3 (FWC)				0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Works Contract								1.200	1.200	1.200	1.200	1.200	1.200	1.200	1.200
Supply Contract 1									2.949	2.949	2.949	2.949	2.949	2.949	2.949
Service contract – Supervision (Works & Supply)								0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Supply Contract 2						1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Total contracting:				0.200	0.200	3.02	3.02	4.32	13.569	13.569	13.569	13.569	13.569	13.569	13.569
Disbursement	Cumulative disbursement schedule by quarter in €m (provisional)														Total
	2004		2005				2006				2007				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
TA Contract 1						0.480	0.720	0.720	0.800	0.800	0.800	0.800	0.800	0.800	0.800
Grant Scheme										5.04	5.04	6.3	6.3	6.3	6.3
TA Contract 2							0.480	0.480	0.480	0.480	0.480	0.600	0.600	0.600	0.600
TA Contract 3				0.160	0.160	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Works Contract								0.360	1.140	1.140	1.140	1.140	1.200	1.200	1.200
Supply Contract 1									1.769	2.949	2.949	2.949	2.949	2.949	2.949
Service contract – Supervision (Works & Supply)								0.080	0.080	0.080	0.080	0.080	0.080	0.100	0.100
Supply Contract 2						0.852	1.278	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Total disbursement:				0.160	0.160	1.532	2.678	3.26	5.809	12.109	12.109	13.489	13.549	13.569	13.569

ANNEX 2

Implementation Chart – Human Resources Development and Promotion of Employment

Phase 2

Components	2005	2006												2007												2008			
	Q 4	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	Q 1	Q 2	Q 3	Q 4
CfPs under Grant scheme										X	X	X	X	X	X														
Start of activities under GS																X	X	X	X	X	X	X	X	X	X	X			
TA 1 selection and contracting					X	X	X	X	X	X	X	X																	
Start of activities by TA 1													X	X	X	X	X	X	X	X									
TA 2 (FWC) tendering and contacting		X	X	X	X	X																							
Start of activities by TA 2 (FWC)						X	X	X	X	X																			
Works contract – tendering and contracting												X	X	X	X	X													
Refurbishment of the selected schools																X	X	X	X	X									
Supply contract – tendering and contracting												X	X	X	X	X	X	X											
Supply of the equipment of the selected schools																			X	X	X								
Supervision - tendering and contacting										X	X	X	X	X	X														
Start of Supervision activities																X	X	X	X	X	X								
Monitoring										X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	
Final Evaluation																										X	X		

ANNEX 3

CUMULATIVE CONTRACTING AND DISBURSEMENTS SCHEDULES – Human Resources Development and Promotion of Employment - Phase 2

Figures in MEURO

<i>Project title:</i> HUMAN RESOURCES DEVELOPMENT AND PROMOTION OF EMPLOYMENT															
Contracting	Cumulative contracting schedule by quarter in €m (provisional)														Total
	2005		2006				2007				2008				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Grant Scheme							7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800	7.800
TA Contract 1						0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700	0.700
TA Contract 2 (FWC)				0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Works Contract								1.400	1.400	1.400	1.400	1.400	1.400	1.400	1.400
Supply Contract									3.000	3.000	3.000	3.000	3.000	3.000	3.000
Service contract – Supervision (Works & Supply)								0.100	0.100	0.100	0.100	0.100	0.100	0.100	0.100
Total contracting:				0.200	0.200	0.900	8.700	10.200	13.200	13.200	13.200	13.200	13.200	13.200	13.200
Disbursement	Cumulative disbursement schedule by quarter in €m (provisional)														Total
	2005		2006				2007				2008				
	III	IV	I	II	III	IV	I	II	III	IV	I	II	III	IV	
Grant Scheme								6.240	6.240	6.240	7.800	7.800	7.800	7.800	7.800
TA Contract 1							0.420	0.420	0.420	0.700	0.700	0.700	0.700	0.700	0.700
TA Contract 2 (FWC)				0.160	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200	0.200
Works Contract								0.420	1.260	1.26	1.400	1.400	1.400	1.400	1.400
Supply Contract									1.800	3.000	3.000	3.000	3.000	3.000	3.000
Service contract – Supervision (Works & Supply)								0.080	0.080	0.080	0.080	0.080	0.080	0.100	0.100
Total disbursement:				0.160	0.200	0.200	0.620	7.36	9.92	11.48	13.18	13.2	13.2	13.2	13.2

ANNEX 4

REFERENCE TO FEASIBILITY / PRE-FEASIBILITY STUDIES

Labour Market Study and VET Schools Infrastructure Study on the NW and SC Planning Regions of Bulgaria performed under PHARE 2000

Labour Market Study and VET Schools Infrastructure Study under PHARE 2001

Project Preparatory Facilities under Phare Program

ANNEX 5

LIST OF RELEVANT LAWS AND REGULATIONS

Law on Vocational Education and Training – SG N 68 /1999, amended: SG N 1 / 2000

Law on the Level of Schooling, the General Educational Minimum and the Syllabus- 1999

Public Education Law – SG N 86 /1991, last amendment: SG N 68 /1999

Rules governing the implementation of the Law on National Education-1999

Employment Promotion Act-SG N^o 112/2001

Labour Code- SGN 26/1986, last amendment: SGN 110/1999

Rule on Application of the Employment Promotion Act t – SG N 81 /1998

Framework Agreement between the Commission of the European Communities and the Republic of Bulgaria

? NNEX 6

REFERENCE TO RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES

Accession Partnership

National Plan for Economic Development

Operational Human Resources Development Programme

Joint Assessment of Employment Priorities in Bulgaria (2002)

National Action plan for Employment

The Programme of the Government People are Bulgaria's Treasure (2001)

New Social Policy Strategy of the Government of Bulgaria (2002)

National Education Strategy in Information and Communication Technologies

National Report on the Memorandum on Life Long Learning

List of Vocations of NAVET

? NNEX 7

JUSTIFICATION FOR INTEGRATION OF THE SUPPLY COMPONENT OF THE PROJECT BG0004.04 “RENOVATING OF VOCATIONAL TRAINING INSTITUTES” INTO THE PRESENT PROJECT FICHE

The project BG0004.04 “Renovating of Vocational Training Institutes” Project (Phare Programme 2000) is aimed at support the VET reform in Bulgaria concerning improvement of the quality of vocational training, as well as an optimization of VET schools network.

The project consists of 5 components – 3 Institutional Building and 2 Investment components. Out of five components four have been already completed, amounting to a total of the 40% of the project budget.

Under the project BG0004.04 “Renovating of Vocational Training Institutes” Project (Phare Programme 2000) it was envisaged 7 vocational schools in North West and South Central Planning regions in Bulgaria (NUTS II) to be refurbished and provided with training equipment.

While the refurbishment is already completed, the supply of training equipment could not be contracted. In consequence of this, the beneficiary schools have been put in an extremely difficult situation - the old equipment was dismantled and taken away so as to allow the execution of the refurbishment works and the preparation of the necessary installations complied with the technical parameters of the expected new equipment. As the supply component was not contracted and therefore no equipment was delivered the rooms refurbished for hosting the new equipment remained practically unusable.

Within Phase 1 of the present project it is proposed 7 vocational schools in North West and South Central planning regions under the project BG 0004.04 “Renovating of Vocational Training Institutes” to be provided with training equipment. This measure should be taken due to the fact that these schools are already refurbished but the envisaged supply of training equipment failed. Thus, the seven renovated vocational schools cannot function as modern training providers, lacking relevant equipment and the project objective cannot be achieved.

By the deadline - 31.12.2003 provided for in the Financing Memorandum 2000, no contracts were signed between the Implementing Agency (MRDPW) and nominated tenderers for supply of equipment to the 7 vocational schools.

Basing on a letter issued by the Implementing Agency, by 31 December 2003 the EC Delegation had not given their approval of the selected successful tenderers proposed in the Evaluation Report. In consequence of this, the beneficiary schools have been put in an extremely difficult situation. The old equipment was dismantled and taken away so as to allow the execution of the refurbishment works and the preparation of the necessary installations (water-supply, electrical and ventilation systems) complied with the technical parameters of the expected new equipment, specified in the TD. As the supply component was not contracted and therefore no equipment was delivered the rooms refurbished for hosting the new equipment are remained practically unusable.

In this connection it is suggested the equipment envisaged in the failed supply tender to be included in the activities under Phase 1 of the “Human Resources Development and Promotion of Employment” Project under the Multi-annual Phare Programme 2004-2006 as a separate Supply Component, so as to alleviate the condition of the 7 vocational schools and to

ensure the achieving of the initial project objectives. The specifications of the equipment for the schools are available, alongside with reliable cost estimations which will make the tendering procedure under the international open tender, an easy one.

The Tender Dossier of the failed tender is also available and with only slight modifications (dates) will allow the tendering procedure to start earlier (in 2004). Since the TD is already done, the tender procedure will be launched prior to the conclusion of FM 2004. PRAG opportunity for tendering with “suspension clause” will be used, thus ensuring contracted service provider by the end of 2004.

With the implementation of this component the project “Renovating Vocational Training Institutes” shall be brought to a successful accomplishment which shall contribute to the main objective of the VET Reform for establishment of quality vocational training in Bulgaria.

? NNEX 8

JUSTIFICATION FOR EQUIPPING OF THE VOCATIONAL SCHOOLS WITH COMPUTER EQUIPMENT, RELEVANT SOFTWARE AND PERIPHERALS

In the contemporary globalizing and dynamic society the mastering and use of ITCs is an essential part of the functional literacy of everyone, and indispensable condition for one’s personal and professional advance. For carrying out the education in and the use of ICTs in secondary education, the schools should be equipped with modern computer devices and software. It is necessary for the students to master the specific volume of knowledge as well as to form skills and habits for individual learning through the skillful intertwining of ICTs in the study process.

Bulgaria seems to be lagging behind in terms of ICT equipment and Internet connection in comparison to the new member states and other candidate countries. Since 2003 there has been a Draft National Educational Strategy for the integration of ICT into school education elaborated by the MES. According to the MES data for 2003, there are 8,375 computers in general secondary schools and a further 6,000 in VET schools; a total of 1,710 secondary schools have Internet connections. In 2003 the MES has allocated BGN 700,000 for ICT in general secondary schools. While there are strategic documents that provide the basis for the development of ICT training implementation has only just begun. It emerges that apart from ICT classes, there is practically no access to computers or computer labs as part of other subjects. Teaching materials are rarely published on a dedicated website of the school, which would facilitate e-learning and the whole process of teaching and studying.

Since the IT is a core competence in the modern labour market, there is an urgent need to create supportive learning environment for young people in the schools. It is important not only for providing computer literacy but also for integrating ITC into teaching of other subjects. Given the future demand for high-technology related professions, schools have to be able to provide the relevant training. Thus, it’s crucial to ensure access to high technology training and especially to up-to-date computer equipment and relevant software for a great number of Bulgarian schools. On that ground, additional 120 vocational schools will be supplied with computer equipment, relevant software and peripherals within Phase 1 of the project. It will result in establishment of a well functioning computer hall in each of the

selected beneficiary school and access to Internet thus providing a basis for improved computer skills of the students.

The establishing of a flexible and adaptive vocational education and training system, the ensuring of education quality to enable compatibility of the secondary general and vocational education with that of the EU member states as grounds for achieving free movement of people as provided for in the NPAA, requires more attention and a nation-wide adoption of ICT in as many vocational schools as possible. Although most of the VET schools dispose of some computer equipment, it is quite insufficient and old bearing in mind the extremely fast development of this field in international scale.

Taking into consideration that ICT is an integral part of the requirements towards any profession nowadays and the poor capacity in this respect of Bulgarian schools, 120 primary and general secondary schools within Phase 1 of the project, selected by the MES and approved by the PSC, will be supplied with computer equipment, relevant software and peripherals. The purpose of this equipment is to establish a well functioning computer hall of 12-17 computers in each of the selected beneficiary schools and access to Internet thus providing a basis for improved computer skills of the students.

In a similar manner, during Phase 2 of the project, other 100 vocational schools will be selected and supplied with computer equipment, thus creating a substantial segment of the vocational schools network with improved ICT capacity and responding to the contemporary requirements for enhanced skills and quality training.