

Standard Summary Project Fiche

1. Basic Information

- 1.1. CRIS Number (Year 1): **BG2004/016-711.11.01**
- 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 priorities

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

- "Continue legislative work on mutual recognition of professional qualifications and diplomas and ensure administrative structures are in place";
- "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.

2.1. Contribution to the National Development plan

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 Operational Human Resources Development 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.

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.

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.

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). 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. 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.

Bulgaria's population has been declining continuously since 1989, with a fall of 8% between 1989 and 2000. 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. 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 the 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 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.

Currently, the MLSP envisages the implementation of the project **“Studying the employers’ needs of labour force with particular vocational qualification”**. The project is a part of the National Action Plan on Employment for 2004, funded by the State budget. The overall objective of the project is to provide for information on the employers needs in terms of the different professional, educational and qualification characteristics of the labour force. The national survey of the labour market needs should be based on 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.

In 2003 within the MLSP it was established a Working Group on development of a Methodology for studying the employers’ needs of labour force with specific vocational

qualification. The Working group has elaborated a draft Methodology, which is to be adopted by the Ministry of Labour and Social Policy.

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 of the requirements on the training for the new technologies, basic skills, knowledge-based economy, employability skills, appliance of effective adults training methods, training programmes' contain, 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.

This Lifelong Learning Concept shall be transformed into a Lifelong Learning Strategy in the framework of the labour force employability. The Strategy will correspond with the VET Strategy and the CVT Strategy will be a part of the Lifelong Learning Strategy.

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.

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. These schools provide outdated curricula and mostly deliver VET for sectors in decline. 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-to-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 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. 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 2003 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 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, some primary and general secondary schools will be supplied with computer equipment, relevant software and peripherals. 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 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 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. About two thirds of all curricula are outdated and have little relevance to the labour market. At present the majority of VET schools implement curricula following the list of vocations that existed in 1993. This is partly because curriculum development only takes place after approval of new standards, a process that has started only recently, as described above. While curriculum reform is ongoing, there is no strategy or time plan available.

Under Phare VETEREST 18 curricula were revised following the modular approach, and implemented in pilot schools, and subsequently in technica. 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. 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).

Up to now standards for 25 vocations have been completed and approved by the Management Board of NAVET. These standards are applied to both initial and continuing training. Piloting of the finalized standards will be followed by gradual elaboration of new curricula in compliance with the vocational standards. There are currently 35 new standards under elaboration. It is expected that the process of elaborating standards for all vocations included in the list (172) will continue until 2006 or 2007, assuming that approximately 40 standards are drafted each year.

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

N/A

3.3. Results:

I. Component 1 – Active Labour Market Actions

Phase 1

- First annual labour market survey completed, including institution building measures for local stakeholders to carry out the survey on a regular basis;
- Impact assessment of training and active labour market measures;
- Developed Adults training Centres - about 8 grants awarded to the Training Centers 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 50 grants awarded for job creation for people at disadvantage in the labour market.

Phase 2

- Outputs of the First annual labour market survey updated;
- Developed Adults training Centres - 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.

Phase 3

- Outputs of the First annual labour market survey updated;
- 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

Phase 1

The results expected are:

- 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 and accreditation;
- 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 accreditation 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 and functions of a National Assessment Unit for VET assessment and accreditation developed in the context of LLL with a proposal for legislative framework and indicative budget;
- 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project (Phare Programme 2000) equipped with training equipment;
- 120 primary and general secondary schools supplied with computer equipment, relevant software and peripherals.

Phase 2

- 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 re-equipping;
- Assessment of equipment needs for National assessment unit equipped when established and subsequent provision of selected equipment;
- 195 assessors trained in development of criteria for external and internal assessment of the elaborated curricula per vocations;
- Appropriate teacher training for 210 teachers from the selected vocational schools delivered;
- 100 primary and general secondary schools supplied with computer equipment, relevant software and peripherals.

Phase 3

- 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 240 teachers from the selected vocational schools delivered;
- Training in assessment of the quality and effectiveness of the vocational competencies using the developed tools to 144 internal and external assessors conducted;
- Technical Assistance to NAU (when established) aimed at enhancing its capacity to carry out its statutory responsibilities;
- VET Web Gate and relevant software established and supplied with necessary equipment;
- 8 vocational schools refurbished and re-equipped.

3.4. Activities

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 number 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 ILO 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 the 4 contracts:

1. Technical Assistance provided by the International Labour Organization (ILO) through the International Training Centre of ILO (ITC) (Technical Assistance 1)

In view of the specific nature of the project activities and in order to ensure timely implementation together with continuity through the five years implementation period, it is proposed that the TA under this component will be carried out by the ILO channelled through the ITC of the ILO. The long experience and distinguished record of the ILO/ITC in these areas, along with their unique emphasis on the work with social partners, makes them exceptionally the qualified for the implementation of the TA activities described in detail below.

The ILO/ITC will be engaged during the whole period of project implementation. For the project purposes the ILO/ITC will establish a National Project Office which will co-ordinate and support the activities to be implemented within the project duration. The ILO/ITC shall assist the MLSP's efforts in terms of identification of the employers' needs and will give support to develop and set up labour market survey on a regular base.

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 as well as the Grant scheme development. The selection of the beneficiary schools and its 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 ILO 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 completed.

It is expected that the survey duration will be about 6-7 months and it will start from January 2005. On an annual basis the ILO/ITC will update/revise the survey results.

b) Preparation of the Grant scheme documentation

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.

c) Promotional campaign of the Grant schemes

It is expected that the ILO/ITC, will execute the promotional campaign (including scheme's objectives, its components, application rules, eligibility criteria, training for project preparation, etc.) before each of the phases. 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 develop, 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.

2. Grant Scheme for further development of an adult training centres network (Grant scheme 1)

At the present there are 3 Bulgarian-German Training Centers and one Training base (in process of transformation to a National Centre for staff development) 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 “Development of an adult training centre network” (EFM 2004) 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 will 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 within this 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 ILO 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.

3. Grant scheme for employment creation (Grant scheme 2)

The *Grant Scheme* is aimed at promoting job creation and improving the employment perspectives and social cohesion in response to the local 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 ILO/ITC.

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.

4. Technical Assistance for fostering the entrepreneurship (Technical Assistance 2)

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 of this contract is to support 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:

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

Phase 2

The activities envisaged for Phase 2 of the project will be implemented through Technical assistances and Grant schemes.

1. Technical Assistance

The ILO/ITC shall update the national survey results. The ILO/ITC will also revise the Guidelines for Applicants and conduct the promotional campaign of the Grant scheme for Phase 2.

2. Grant Scheme for further development of an adult training centres network (Grant scheme 1)

All activities under Phase 2 will be a continuation of the Grant scheme under Phase 1. According to the result from the national survey, MLSP supported by the ILO shall identify the regions and

the number of the Adults training centres which shall be further developed as well as the nature of the training to be delivered.

3. Grant scheme for employment creation (Grant scheme 2)

All activities under Phase 2 will be a continuation of the Grant scheme under Phase 1. During this phase the number of grant beneficiaries will be increased. According to the result from the national survey, there is possible to be made some changes in the target groups and the scope of the eligible activities.

4. Technical Assistance for fostering the entrepreneurship (Technical Assistance 1)

All activities under Phase 2 will be a continuation of these under Phase 1. During this phase the number of trained people will be increased.

Phase 3

1. Technical Assistance

During this phase, the ILO/ITC will update the national survey results. The ILO/ITC will also revise the guidelines for applicants and conduct the promotional campaign of the Scheme for Phase 3.

In Phase 3 it is also expected to conduct an impact assessment of the Grant scheme implementation under the first two phases. The impact assessment will be carried out at the end of Phase 3 and will estimate the impact of the Grant scheme in the following dimensions:

- Gross (for the third phase) and net impact of the different activities implemented under the project (job creation, training of employed, training of unemployed, etc.);
- Specific attention should be given to the sustainability of the new jobs created, quality of the new jobs, effectiveness of the training and consultancy provided.

2. Grant Schemes (Grant scheme 1 & Grant scheme 2)

All activities under Phase 3 will be a continuation of the Grant schemes under Phase 1. 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 possible to be made some changes in the target groups and the scope of the eligible activities.

4. Technical Assistance for fostering the entrepreneurship (Technical Assistance 1)

All activities under Phase 3 will be a continuation of these under Phase 1. During this phase the number of trained people will be increased.

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 and CVT;
- Development of Strategy Implementation Plan with clear institutional roles and responsibilities, annual time schedule, criteria for selection of schools, etc.;
- Further curricula and vocational standards development;
- Teacher training reform;
- Development of an effective VET assessment and accreditation system;
- VET school network optimisation;
- Establishment of a VET Web Gate and relevant software;
- Establishment of well functioning computer halls in selected vocational schools.

Phase 1

During the 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 an effective VET system for assessment and accreditation.

MES has elaborated a national Strategy on Secondary education which includes guidelines on the development of VET in the future. Strong efforts have been made and a concept is available with MES and MLSP on the CVT which shall be further developed by the TA under the Phare 2003 project "Vocational Qualification". 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 (3) under the present project shall further support MES and MLSP 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 to commence in March 2005 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.

Strategy development and the conducting of a national survey on the labour market needs are the main preconditions for the successful implementation of Component 2 throughout the three project phases.

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. 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 justification pls sees Annex 7).

In view of meeting the employers’ demands for enhanced IT skills and competencies of the labour force as well as in view of the adoption and implementation of the draft Strategy of the MES for Introduction of ICT in secondary education, it is necessary to ensure access to high technology training and especially to up-to-date computer equipment and relevant software for a great number of primary and general secondary schools. Taking into account that ICT is an integral part of the requirements towards any occupation nowadays and the poor capacity in this respect of Bulgarian schools, within this Phase 120 primary and general secondary schools will be supplied with computer equipment, relevant software and peripherals. 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 beneficiary vocational schools will be selected by the MES and the selection will be approved by the PSC.

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

- 1) Technical Assistance 3 (Framework contract 1); for:
 - development of a VET Strategy;
 - development of Implementation Plan;
 - preparation of ToR for provision of the services envisaged in Technical Assistance 4 relating to the upgrading of vocational training standards, teacher training and the design of a model of National Assessment Unit.
- 2) Technical Assistance 4 for:
 - 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 the status and functions of a National Assessment Unit as part of the establishment of an effective national system for accreditation.

- 3) Technical Assistance 5 (Framework contract 2) for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 6 VET schools.
- 4) Refurbishment of the selected 6 vocational schools (Works contract).
- 5) Supply of training equipment for the selected 6 vocational schools (Supply contract 1).
- 6) Service Contract – Supervision (Works and Supply) for Supervision of works and supply contracts implementation;
- 7) Supply of training equipment for 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project, Phare Programme 2000 (Supply contract 2);
- 8) Supply of computer equipment, relevant software and peripherals for 120 primary and general secondary schools:
 - establishment of a well functioning computer hall of 12-17 computers in each of the selected schools and access to Internet (Supply contract 3).

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. 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 this Phase the Ministry of Education and Science shall initiate the legislative procedures so as to enable the legal establishment of the National Assessment Unit. With the support of a technical assistance shall be organized a number of specialized training courses for internal and external assessors. The latter activity shall be further supported by working visits of the Bulgarian experts/assessors to similar institutions of EU member countries for exchange of experience and alignment of the vocational standards and assessment instruments.

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.

In this Phase other 100 primary and general secondary schools will be selected and supplied with computer equipment, relevant software and peripherals, thus creating a substantial segment of the schools network with improved ICT capacity and responding to the contemporary requirements for enhanced skills and quality training.

The particular activities foreseen during the Phase 2 shall be implemented by means of the following 5 contracts:

- 1) Technical Assistance 2 for:
 - upgrading of 30 vocational standards and curricula;
 - development and provision of in-service teacher training - approximately 210 teachers in total trained including: 140 trained to work with new technologies for training per vocations under the elaborated curricula; 70 teachers trained in foreign languages per vocations; 210 teachers trained in training of adults, 210 teachers trained in computer skills;
 - conducting specialized training courses for internal and external assessors - 195 assessors trained in development of criteria for external and internal assessment of the elaborated curricula per vocations. Out of them 30 experts trained in 6 working groups in EU member states in alignment of vocational standards and tools for assessment.
- 2) Technical Assistance 3 (Framework Contract) for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools, and drafting of ToR for establishment of a VET Web Gate.
- 3) Refurbishment of the selected 7 vocational schools (Works contract).
- 4) Supply of training equipment for the selected 7 vocational schools and supply of office equipment for the NAU (Supply contract 1).
- 5) Service Contract – Supervision (Works and Supply) for supervision of works and supply contracts implementation.
- 6) Supply of computer equipment, relevant software and peripherals for 100 primary and general secondary schools:
 - establishment of a well functioning computer hall of 12-17 computers in each of the selected schools and access to Internet (Supply contract 2).

Phase 3

The main objective of Phase 3 will be to multiply the experience accumulated in Phases 1 and 2, in the development of vocational standards and curricula as well as in teacher training. Further 8 schools will be selected for refurbishment and equipment. 30 teachers from each of the 8 schools 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 ToR and Technical Specification on the equipment and software required shall be 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. For ensuring sustainability of the Web Gate MES undertakes to arrange its legal establishment by an appropriate act and to provide for room(s) for its physical operation and subsequent maintenance as well as necessary staffing.

Through the support of a Technical Assistance team the operation of the NAU will be analyzed with the purpose to improve its functions and activities. Additional 144 assessors (18 from each school) shall be trained in assessment of the quality of vocational competences using the instruments developed in the Phase 2. 6 groups totalling 30 experts/assessors will make work visits to similar institutions in EU member countries for harmonization in using of the assessment tools.

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

- 1) Technical Assistance 2 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 240 teachers in total including: 160 trained to work with new technologies under the elaborated curricula; 80 teachers trained in foreign languages per vocations; 240 teachers trained in training of adults, 240 teachers trained in computer skills;
 - conducting specialized training courses for internal and external assessors - 144 assessors (18 from each school) shall be trained in assessment of the quality of vocational competences; 6 groups totalling 30 experts/assessors will make work visits to similar institutions in EU member countries for harmonization in using of the assessment tools;
 - consultancy on improvement of the function of the established NAU;
 - establishment of VET Web Gate and relevant software.
- 2) Technical Assistance 3 (Framework Contract) for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 8 VET schools.
- 3) Refurbishment of the selected 8 VET schools (Works contract).
- 4) Supply of training equipment for the selected 8 VET schools and supply of equipment for the Web Gate (Supply contract).
- 5) 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 Initiative 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;
 - **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:

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.
6. Partnership with the local key stakeholders (members of Regional Employment Commissions) was an efficient tool for the promotion of the programme.
7. 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.
8. 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.
9. 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).
10. 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.
11. 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, and ILO/ITC.

For the arrangement of the collaboration between the MLSP and the ILO/ITC a Technical cooperation project document will be signed before the start of the project activities. Any additional tasks to be carried out by the ILO/ITC by phases will be arranged with addendums to the signed project document.

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 Pre-Accession Funds and 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 **“Pre-accession Funds, International Programs and Projects” (DPFIPP)** 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, 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 primary and general secondary 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 and will be approved by the Project Steering Committee.

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.

ILO/ITC

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

The ILO/ITC engaged on the basis of a project document will be also responsible for the revision of the survey results and the subsequent update of the Guidelines for applicants by Phases. The ILO/ITC with the support of the PIU and the regional coordinators will have the responsibility for carrying out the promotional campaign of the Grant scheme for the three phases of the project.

5. Detailed Budget

Year/Phase	Phare Support					
	Investment support	Institutional building	Total Phare (=I+IB)	National Co-financing	IFI*	TOTAL
Phase 1						
Component 1 – Active Labour Market Actions						
Technical Assistance 1 – ILO/ITC		0.800	0.800			0.800
Grant Scheme I – Development of adult training centres network	0.600		0.600	0.200		0.800
Grant Scheme II – Employment creation	3.600		3.600	1.200		4.800
Technical Assistance 2 – Fostering entrepreneurship		0.700	0.700			0.700
Component 2 – Improvement of VET System						
Technical Assistance 3 (FWC) - VET Strategy development)		0.200	0.200			0.200
Technical Assistance 4 – Upgrading of standards, ToT, NAU model		0.400	0.400			0.400
Technical Assistance 5 (FWC) – Preparation of TS)		0.200	0.200			0.200
Works contract	0.900		0.900	0.300		1.20
Supply contract 1	0.900		0.900	0.300		1.20
Service contract – Supervision (Works & Supply)	0.075		0.075	0.025		0.100
Supply contract 2	1.065		1.065	0.355		1.420
Supply contract 3	1.312		1.312	0.437		1.749
Total – Phase 1	8.452	2.300	10.752	2.817		13.570

Phase 2						
Component 1 - Active Labour Market Actions						
Grant Scheme I – Development of adult training centres network	0.825		0.825	0.275		1.100
Grant Scheme II – Employment creation	4.500		4.500	1.500		6.000
Technical Assistance 1 – Fostering entrepreneurship		0.700	0.700			0.700
Component 2 – Improvement of VET System						
Technical Assistance 2 – Upgrading of standards, ToT, assessors training		0.700	0.700			0.700
Technical Assistance 3 (FWC – Preparation of TS)		0.200	0.200			0.200
Works contract	1.050		1.050	0.350		1.400
Supply contract 1	1.050		1.050	0.350		1.400
Service Contract – Supervision (Works & Supply)	0.075		0.075	0.025		0.100
Supply contract 2	1.200		1.200	0.400		1.600
Total – Phase 2	8.700	1.600	10.300	2.900		13.200
Phase 3						
Component 1 - Active Labour Market Actions						
Grant Scheme I – Development of adult training centres network	1.050		1.050	0.350		1.400
Grant Scheme II – Employment creation	5.250		5.250	1.750		7.000

Technical Assistance 1 – Fostering entrepreneurship		0.700	0.700			0.700
Component 2 – Improvement of VET System						
Technical Assistance 2 – Upgrading of standards, ToT, assessors training		0.800	0.800			0.800
Technical Assistance 3 (FWC) – Preparation of TS)		0.200	0.200			0.200
Works contract	1.200		1.200	0.400		1.600
Supply contract	1.350		1.350	0.450		1.800
Service Contract – Supervision (Works & Supply)	0.075		0.075	0.025		0.100
Total – Phase 3	8.925	1.700	10.625	2.975		13.600
<i>TOTAL</i>	<i>26.077</i>	<i>5.600</i>	<i>31.677</i>	<i>8.692</i>		<i>40.370</i>

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 final beneficiaries.

6. Implementation Arrangements

6.1. Implementing Agency

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

The PAO will be:

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6.2.Twinning

Not applicable

6.3.Non-standard aspects

The support of ILO/ITC will be ensured through the signing of a Technical Co-operation Project Document between the MLSP and ILO/ITC. The EC Delegation will endorse the project document. Such a non-standard procedure has already been used in relation to the UNDP involvement in the EU funded Beautiful Bulgaria II project and under Phare 2003 project of the National Council for Ethnic and Demographic Issues and has been endorsed by the European Commission/Brussels.

The Government considers ILO/ITC as the best-positioned partner to support the implementation of the current project for the following specific reasons:

- It is the mandate of the ILO/ITC to act as a specialized agency of the UN in the field of employment policy and labour market development and to assist member states in such areas as job creation, enterprise development, sustainable local development and income generation;
- The areas of competence and expertise of ILO/ITC are directly corresponding to the objectives of the current project, namely:
 - Enhancement of the quality and the impact of various employment and training policies;
 - Establishment of training delivery system for adults;
 - Increasing the quality of vocational education and training.
- The ILO/ITC training and research specialists are part of a worldwide network of resource persons and consultants from prestigious academic and training institutions, enterprises, trade unions, other governmental and non-governmental organizations;
- The ILO/ITC works through a variety of innovative media and methods – from the traditional to the most sophisticated – with emphasis on the most appropriate, relevant and practical;
- The ILO/ITC has been/is currently involved in similar type of activities and projects and has accumulated an extensive expertise in the field. Recent projects where the ILO/ITC is directly involved are:
 - Employment for local development financed by the ESF and the Italian Ministry of Labour and Social Security;
 - Athens conference on socially responsible enterprise restructuring –exchanging experiences and good practices;
 - Tripartite workshops on Human Resource management in the context of socially responsible enterprise restructuring;
 - Handicraft promotion in Jordan;
 - Introduction of flexible vocational training programme for unemployed (Phase III);
 - Vocational training to support the national employment programme in Bihac.

The legal basis for the direct inclusion of ITC/ILO in the project activity is the Financial and Administrative Framework Agreement (FAFA) signed in 2002 between the European Community and the United Nations, which agreement sets out the framework for the United Nations and the Commission to enhance their cooperation including programmatic partnership, and in particular the Agreement of July 8, 2003 between the European Community and the International Labour Organization by virtue of which the ILO adheres to the FAFA. Under the FAFA (Preamble) the UN organizations “may manage EU contributions ... to an operation, programme or project administered by the United Nations (referred to as an Action)”. The TA activities hereby assigned to be fulfilling by the ILO/ITC qualify as such an “Action”, and as such fall within the scope of co-operation between the UN and the European Community covered by the FAFA.

Practical Guide to contract procedures financed from the General Budget of the European Communities in the context of external actions will be dully 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.

6.4.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 cooperation Project Document /Agreement/ with ILO/ITC – Technical Assistance 1	Conduction of a national survey on labour market needs; Preparation of the Grant scheme documentation; 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 1	Development of Adult training centres (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.
	Grant scheme 2	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.
	Technical Assistance 2	Provision of training to the potential entrepreneurs who want to start their own businesses.
	Technical Assistance 3 (FWC)	Development of a VET Strategy, development of Implementation Plan, preparation of ToR for provision of the services envisaged in Service contract relating to the upgrading of vocational training standards, teacher training and the design of a model of NAU.
	Technical Assistance 4	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.
	Technical Assistance 5 (FWC)	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders
	Works contract	Refurbishment of the selected vocational schools
	Supply contract 1	Supply of training equipment for the selected vocational schools
	Service contract - Supervision (Works & Supply)	Supervision of Works and Supply contracts implementation

	Supply contract 2	Supply of training equipment for 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project
	Supply contract 3	Supply of computer equipment, relevant software and peripherals for 120 primary and general secondary schools
Phase 2		
	Technical Assistance – ILO/ITC – continuation from Phase 1	Update the results of the survey; carrying out promotional campaign of the Grant schemes for Phase 2 and seminars; actualization of the Guidelines for applicants under Phase 2
	Grant Scheme 1 for further development of an adult training centres network	Continuation of the Grant Scheme under Phase 1
	Grant scheme 2 for employment creation	Continuation of the Grant Scheme under Phase 1
	Technical Assistance 1	Provision of training to the potential entrepreneurs who want to start their own businesses - training and counselling on how to start-up a new business; advising and information on existing market niches.
	Technical Assistance 2	Upgrading of 30 vocational standards and curricula, development and provision of in-service teacher training; conducting specialized training courses for internal and external assessors; identification of further schools for refurbishment and re-equipping
	Technical Assistance 3 (FWC)	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools, and drafting of ToR for establishment of a VET Web Gate.
	Works contract	Refurbishment of the selected vocational schools.
	Supply contract 1	Supply of training equipment for the selected vocational schools and supply of office equipment for the NAU.
	Service contract – Supervision (Works & Supply)	Supervision of works and supply contracts implementation.
	Supply contract 2	Supply of computer equipment, relevant software and peripherals for 100 primary and general secondary schools
Phase 3	Technical Assistance – ILO/ITC – continuation from Phase 1	Update the results of the survey; carrying out promotional campaign of the Grant scheme for Phase 3 and seminars; actualization of the Guidelines for applicants under Phase 3; Assessment of the overall implementation of the Grant scheme.

	Grant Scheme 1 for further development of an adult training centres network	Continuation of the Grant Scheme under Phase 1
	Grant scheme 2 for employment creation	Continuation of the Grant Scheme under Phase 1
	Technical Assistance 1	Provision of training to the potential entrepreneurs who want to start their own businesses.
	Technical Assistance 2	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; conducting specialized training courses for internal and external assessors; consultancy on improvement of the function of the established NAU; establishment of VET Web Gate and relevant software.
	Technical Assistance 3 (FWC)	Preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders.
	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.

6.5. Sequencing

Completion of the national survey on labour market needs as well as elaboration of a VET Strategy and Implementation Plan are a foremost priority and should start as quickly as possible. Moreover, the necessary equipment for the refurbished 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” should be delivered by the second quarter of 2005. Given that the PRAG gives opportunity for “suspension clause” contracting, the TA contractor is expected to be at hand right after signing the FM 2004.

Sequencing is crucial to the project implementation because the activities envisaged under Phase 1 – conduction of the national survey is pre-condition for further development of an adult training centres network, employment creation schemes, training of entrepreneurs, upgrading of the vocational standards and curricula, teachers training. It is reasonable to assume that if the national survey is not completed till the end of the July 2005, the VET Strategy is not developed till the mid-July 2005 and the decisions based on the survey results and proposals are not made till the end of the same year, the contracting of the activities bound with the survey outputs could be delayed.

7. Implementation Schedule

Only for Phase 1 of the project

- 7.1. Commencement of the project (organizational arrangements completed) – January 2005
- 7.2. Technical Cooperation Project Document with ILO/ITC – end of 2004
- 7.3. Technical Assistance provided by the ILO/ITC – December 2004 - November 2007
- 7.4. Completion of the national survey on labour market needs – July 2005
- 7.5. Start of call for proposals under Grant scheme 1 – April 2006
- 7.6. Start of the activities under the Grant scheme 2– September 2006
- 7.7. Start of call for proposals under Grant Scheme 2 – March 2006
- 7.8. Start of the activities under the Grant scheme 2 – October 2006
- 7.9. Start tendering of Technical Assistance 2 (Service contract) – January 2005
- 7.10. Start of activities by TA 2 – September 2005
- 7.11. Start tendering of Technical Assistance 3 (FWC) – January 2005
- 7.12. Start of activities by TA 3 – March 2005
- 7.13. Start tendering of Technical Assistance 4 – January 2005
- 7.14. Start of activities by TA 4 – September 2005
- 7.15. Start tendering of Technical Assistance 5 (FWC) – February 2005
- 7.16. Start of activities by TA 5 – April 2005
- 7.17. Start tendering of Works contract – October 2005
- 7.18. Start activities under Works contract – June 2006
- 7.19. Start tendering of Supply contract 1 – November 2005
- 7.20. Start of activities under Supply contract 1 – August 2006
- 7.21. Start tendering of Service contract – Supervision (Works&Supply) – September 2005
- 7.22. Start of activities under Service contract – May 2006
- 7.23. Start tendering of Supply contract 2 – September 2004
- 7.24. Start of activities under Supply contract 2 – April 2005
- 7.25. Start tendering of Supply contract 3 – April 2005
- 7.26. Start of activities under Supply contract 3 - November 2006
- 7.27. Disbursement period (Phase 1) expires - November 2007

8. 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.

9. 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.

10. Rates of return

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

11. Investment criteria

11.1. 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.

11.2. 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.

11.3. 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.

11.4. 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.

11.5. 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.

11.6. Compliance with state aids provisions

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

11.7. Contribution to NDP and/or Structural Funds Development Plan/SPD – see item 2.4

12. 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.

The Delegation needs to approve the ILO/ITC involvement in the project activities and endorse the Technical collaboration document that will be signed between the MLSP and the ILO/ITC. Key milestones will be:

- A Memorandum of Understanding between MLSP and MES signed prior the project commencement;
- Technical cooperation project document signed between the MLSP and ILO/ITC – by the end of 2004;
- The National survey on labour market needs that will be carried by the ILO/ITC to be completed till the end of July 2005;
- A VET Strategy and Implementation Plan to be elaborated till the end of July 2005;
- Establishment of PSC and PIUs for the implementation of the project – by the end of 2004;
- Calls for proposals and entry into the contracting phase under the Grant scheme;
- Implementation of the activities;
- Final Evaluation Report.

During the duration of the project, the National Aid Coordinator needs to ensure good coordination with other international donors in these areas, including the World Bank.

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
8. **ANNEXE 8** Justification for equipping of the primary and general secondary schools with
computer equipment, relevant software and peripherals

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): 13.570 MEUR	Phare budget (Phase 1): 10.752 MEUR
		Total budget (Phase 2): 13.200 MEUR	Phare budget (Phase 2): 10.300 MEUR
		Total budget (Phase 3): 13.600 MEUR	Phare budget (Phase 3): 10.625 MEUR
Overall objective	Objectively Verifiable Indicators	Sources of Verification	
<ul style="list-style-type: none"> 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 completion; Socio-economic situation in regions improved Achievement of alignment with Council Directive 92/51/EEC 	<ul style="list-style-type: none"> National Statistics Institute Reports; Reports from MLSP, MES, NAVET, EA; Bulletin of MES; Ex-post evaluation surveys; Official reports from international institutions. 	

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. 	<ul style="list-style-type: none"> 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 primary and general secondary schools and access to Internet; Teachers and assessors trained; National Unit for Assessment of the quality of the vocational training established; VET Web gate established. 	<ul style="list-style-type: none"> National Statistics Institute Reports; The Reports of the Employment Agency; Reports of MES; Reports of the PIUs; Ex-post evaluation surveys. 	<ul style="list-style-type: none"> Stable macroeconomic conditions Public Support Sustainable economic growth; Entities willing to participate in the project activities

Results	Objectively Verifiable Indicators	Sources of Verification	Assumptions
Phase 1 I. Component 1 – Active Labour Market Actions Phase 1	<ul style="list-style-type: none"> National survey on labour market needs conducted Number of training seminars carried out 	<ul style="list-style-type: none"> TA reports Documentation developed by the TA 	<ul style="list-style-type: none"> Motivation and willingness of employers to create new jobs; Motivation and possibility of people to start-up own

<ul style="list-style-type: none"> - First annual labour market survey completed, including institution building measures for local stakeholders to carry out the survey on a regular basis; - Impact assessment of training and active labour market measures; - 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 – training programmes in entrepreneurial and management skills; - Developed and implemented job creation grant schemes – about 50 grants awarded for job creation for people at disadvantage in the labour market. 	<ul style="list-style-type: none"> - 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 adults training centres developed - Number of trainees trained by the centres - Number of training programmes developed 	<ul style="list-style-type: none"> - PIUs reports - Employment Agency reports - Reports of the PIUs on the progress of the works 	<p>businesses;</p> <ul style="list-style-type: none"> - 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>Component 2 – Improvement of Vocational Education and Training System</p> <ul style="list-style-type: none"> - Developed of a VET Strategy in LLL context, including vocational standards and curricula reform, criteria for VET school network optimization, teachers training reform, a model for an effective VET assessment and accreditation; - 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 accreditation and related institutional 	<ul style="list-style-type: none"> - VET Strategy and Implementation Plan developed - Number of curricula and vocational standards upgraded - Number of vocational schools refurbished and re-equipped with new equipment for vocational training - Number of teachers trained - Development of a model of status and functions of a National Assessment Unit - Number of primary and general secondary schools supplied with computer equipment, relevant software and peripherals - Number of established computer halls in each of the selected schools and access to Internet 	<ul style="list-style-type: none"> - Contracts signed for the refurbishment of schools and for the supply of equipment -Annual reports from beneficiary schools; -Monitoring reports. 	

<p>development;</p> <ul style="list-style-type: none"> - 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 and functions of a National Assessment Unit for VET assessment and accreditation developed in the context of LLL with a proposal for legislative framework and indicative budget; - 7 vocational schools under BG 0004.04 “Renovation of Vocational Training Institutes” Project (Phare Programme 2000) equipped with training equipment; - 120 primary and general secondary schools supplied with computer equipment, relevant software and peripherals. 		
<p>Phase 2</p> <p>Component 1 – Active Labour Market Actions</p> <ul style="list-style-type: none"> - Outputs of the First annual labour market survey updated; - 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 70 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. 	<ul style="list-style-type: none"> - Revised results of the national survey results conducted during Phase 1; - Revised Guidelines for applicants; - Promotional campaign of the Grant schemes carried out; - Number of seminars carried out; - 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. <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 - NAU equipped - Number of external and internal assessors trained - Number of teachers trained - Number of primary and general secondary schools supplied with computer equipment, relevant software and peripherals - Number of established computer halls in each of 	
<p>Component 2 - Improvement of Vocational</p>		

<p>Education and Training System</p> <ul style="list-style-type: none"> – 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 re-equipping; – Assessment of equipment needs for National assessment unit equipped when established and subsequent provision of selected equipment; – 195 assessors trained in development of criteria for external and internal assessment of the elaborated curricula per vocations; – Appropriate teacher training for 210 teachers from the selected vocational schools delivered; – 100 primary and general secondary schools supplied with computer equipment, relevant software and peripherals. <p>Phase 3</p> <p>I. Component 1 – Active Labour Market Actions</p> <ul style="list-style-type: none"> – Outputs of the annual labour market survey completed; – Impact Assessment of the Grant Schemes implementation; – 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 grant schemes involving both investment support and training. 	<p>the selected schools and access to Internet</p> <ul style="list-style-type: none"> - Updated results of the national survey conducted during Phase 1 - Actualized Guidelines for applicants - Promotional campaign of the Grant scheme carried out - Number of seminars carried out - Assessment of the overall implementation of the Grant scheme under Phase 1, 2 and 3 - 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 <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; - Number of external and internal assessors trained - VET Web Gate – in place and operational 		
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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 240 teachers from the selected vocational schools delivered;
- Training in assessment of the quality and effectiveness of the vocational competencies using the developed tools to 144 internal and external assessors conducted;
- Technical Assistance to NAU (when established) aimed at enhancing its capacity to carry out its statutory responsibilities;
- VET Web Gate and relevant software established and supplied with necessary equipment;
- 8 vocational schools refurbished and re-equipped.

Activities	Means	Assumptions
<p>Phase 1</p> <p>I. Component 1 - Active Labour Market Actions</p> <p>1. Technical Assistance provided by the International Labour Organization (ILO) through the International Training Centre of ILO (ITC)</p> <p>a) Conduction of a national survey on labour market needs</p> <p>b) Preparation of the Grant scheme documentation</p> <p>c) Promotional campaign of the Grant schemes</p> <p>d) Provision of training and seminars in the area of OSH for employers, training providers, consultancy organizations, social partners and other interested institutions</p> <p>2. Grant Scheme for further development of an adult training centres network</p> <ul style="list-style-type: none"> • Call of proposals and selection procedures; • Execution of the Grant scheme; • Monitoring of grants implementation. <p>The activities shall support further development of the adults training centres network (as part of the national system for vocational training of adults) by following:</p> <ul style="list-style-type: none"> - 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>3. Grant scheme for employment creation</p> <p>The aim of the Grant scheme is to encourage the creation of new sustainable jobs for people at disadvantage in the labour market. The eligible organization will be supported for job creation for the people at disadvantage in the labour market through:</p> <ul style="list-style-type: none"> • 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>4. Technical Assistance 2 for fostering the entrepreneurship</p> <p>Training to the potential entrepreneurs who want to start their own businesses:</p> <ul style="list-style-type: none"> - Training and counselling on how to start-up a new business – business plans development, access to financing, etc. 	<p>Technical Cooperation Project Document signed between the MLSP and the ILO/ITC</p> <p>Grant scheme 1 – Launching a Call for proposals</p>	<ul style="list-style-type: none"> - The national survey carried out on time - Criteria and procedures for grants awarding are correctly identified - Eligible organizations from target regions, branches and disadvantaged groups interested in the opportunities given by the project - Willingness of VET schools and school trainers to participate in the project - Support to the project activities by social partners and good cooperation with other organizations (universities, training institutions, employers associations, etc.) - Available experience with previous Phare projects - Available good relations between schools from different regions ensuring the possibility to replicate successful results

<p>- Advising and information on existing market niches</p> <p>II. Component 2 - Improvement of Vocational Education and Training System</p> <p>1. Technical Assistance 3 for:</p> <ul style="list-style-type: none"> - development of a VET Strategy; - development of Implementation Plan; - preparation of ToR for provision of the services envisaged in TA 2 relating to the upgrading of vocational training standards, teacher training and the design of a model of National Assessment Unit. <p>2. Technical Assistance 4 for:</p> <ul style="list-style-type: none"> - 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 as part of the establishment of an effective national system for accreditation. <p>3. Technical Assistance 5 for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 6 VET schools.</p> <p>4. Refurbishment of the selected 6 vocational schools</p> <p>5. Supply of training equipment for the selected 6 vocational schools</p> <p>6. Service contract for Supervision of works and supply contracts implementation</p> <p>7. Supply of training equipment for 7 vocational schools under BG 0004.04 "Renovation of Vocational Training Institutes" Project (Phare Programme 2000)</p> <p>8. Supply of computer equipment, relevant software and peripherals for 120 primary and general secondary schools:</p> <ul style="list-style-type: none"> - establishment of a well functioning computer hall of 12-17 computers in each of the selected schools and access to Internet. <p>Phase 2</p> <p>I. Component 1 - Increasing employment and job creation</p> <p>1. Technical assistance (ILO/ITC)</p>	<p>Grant scheme 2 – Launching a Call for proposals</p> <p>Service contract signed</p> <p>Framework contract signed</p> <p>Service contract signed</p> <p>Framework contract signed</p> <p>Works contract signed</p> <p>Supply contract 1 signed</p>	
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<p>The ILO/ITC shall update the national survey results. TA will also actualise the guidelines for applicants, to conduct the promotional campaign of the Grant scheme for Phase 2.</p>	<p>Service contract signed</p>	
<p>2. Grant scheme for further development of an adult training centres network</p> <ul style="list-style-type: none"> • Call of proposals and selection procedures; • Execution of the Grant schemes; • Monitoring of grants implementation. 	<p>Supply contract 2 signed</p>	
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase</p>		
<p>3. Grant Scheme for employment creation</p> <ul style="list-style-type: none"> • Call of proposals and selection procedures; • Execution of the Grant schemes; • Monitoring of grants implementation. 	<p>Supply contract 3 signed</p>	
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase 1.</p>		
<p>4. Technical Assistance 1 for fostering the entrepreneurship</p>		
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase 1.</p>		
<p>II. Component 2 – Improvement of Vocational Education and Training System</p>		
<p>1. Technical Assistance 2 for:</p>		
<p>- upgrading of 30 vocational standards and curricula;</p>		
<p>- development and provision of in-service teacher training - approximately 210 teachers in total trained;</p>		
<p>- conducting specialized training courses for internal and external assessors - 195 assessors trained in development of criteria for external and internal assessment of the elaborated curricula per vocations. Out of them 30 experts trained in 6 working groups in EU member states in alignment of vocational standards and tools for assessment.</p>	<p>ILO/ITC engaged on the base of the technical cooperation project document signed in Phase 1</p>	
<p>2. Technical Assistance 3 for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 7 VET schools, and drafting of ToR for establishment of a VET Web Gate</p>	<p>Grant scheme 1 – Launching a Call for proposals</p>	
<p>3. Refurbishment of the selected 7 vocational schools</p>	<p>Grant scheme 2 – Launching a Call for proposals</p>	
<p>4. Supply of training equipment for the selected 7 vocational schools and supply of office equipment for the NAU</p>	<p>Service contract signed</p>	
<p>5. Service Contract for supervision of works and supply contracts implementation.</p>	<p>Service contract signed</p>	

<p>6. Supply of computer equipment, relevant software and peripherals for 100 primary and general secondary schools:</p> <ul style="list-style-type: none"> - establishment of a well functioning computer hall of 12-17 computers in each of the selected schools and access to Internet. 		
<p>Phase 3</p>		
<p>I. Component 1 – Increasing employment and job creation</p>		
<p>1. Technical Assistance (ILO/ITC)</p>		
<ul style="list-style-type: none"> • Update of the national survey results; • Actualization of the Guidelines for applicants; • Conduct the promotional campaign of the Grant scheme for Phase3; • Conduction of an impact assessment of the Grant scheme implementation under the first two phases: 	<p>Framework Contract signed</p>	
<ul style="list-style-type: none"> - Gross (for the third phase) and net impact of the different activities implemented under the project (job creation, training of employed, training of unemployed, etc.); - Specific attention should be given to the sustainability of the new job places created, quality of the new jobs, effectiveness of the training and consultancy provided. 	<p>Works contract signed</p>	
<p>2. Grant scheme for further development of an adult training centres network</p>		
<ul style="list-style-type: none"> • Call of proposals and selection procedures; • Execution of the Grant schemes; • Monitoring of grants implementation. 	<p>Supply contract 1 signed</p>	
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase 1.</p>		
<p>3. Grant Scheme for employment creation</p>		
<ul style="list-style-type: none"> • Call of proposals and selection procedures; • Execution of the Grant schemes; • Monitoring of grants implementation. 	<p>Service contract signed</p>	
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase 1.</p>		
<p>5. Technical Assistance 1 for fostering the entrepreneurship</p>		
<p>All activities under this Phase will be a continuation of the Grant scheme under Phase 1.</p>		
<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"> - upgrading of 30 vocational standards and curricula in a selected priority economic sector 	<p>Supply contract 2 signed</p>	
	<p>ILO/ITC engaged on the base of the technical cooperation project document signed in Phase 1</p>	
	<p>Grant scheme 1 – Launching Call for proposals</p>	
	<p>Grant scheme 2 – Launching a Call for proposals</p>	

<p>in compliance with the results of the national survey on labour market needs;</p> <ul style="list-style-type: none">- development and provision of in-service teacher training - to 240 teachers in total;- conducting specialized training courses for internal and external assessors - 144 assessors (18 from each school) shall be trained in assessment of the quality of vocational competences; 6 groups totalling 30 experts/assessors will make work visits to similar institutions in EU member countries for harmonization in using of the assessment tools;- consultancy on improvement of the function of the established NAU;- establishment of VET Web Gate and relevant software. <p>2. Technical Assistance 3 for preparation of Technical Specifications and Bills of Quantities for Works and Supplies tenders for 8 VET schools.</p> <p>3. Refurbishment of the selected 8 VET schools</p> <p>4. Supply of training equipment for the selected 8 VET schools and supply of equipment for the Web Gate.</p> <p>5. Service contract for Supervision of works and supply contracts implementation.</p>	<p>Service contract signed</p> <p>Service contract signed</p> <p>Framework Contract signed</p> <p>Works contract signed</p> <p>Supply contract signed</p> <p>Service Contract signed</p>
<p>Preconditions:</p> <ul style="list-style-type: none">- Political support for the project;- Technical Cooperation Project Document signed between the MLSP and the ILO/ITC;- 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
Technical cooperation project document signed between the MLSP and the ILO/ITC	X																												
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	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	X
TA provided by ILO/ITC	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X
National survey on labour market needs completed		X	X	X	X	X	X	X																					
CfPs under Grant scheme 1																	X	X	X	X	X								
Start of activities under GS 1																					X	X	X	X	X	X	X	X	
CfPs under Grant scheme 2																X	X	X	X	X	X	X							
Start of activities under GS 2																							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 (FWC) tendering and contacting		X	X								X	X	X	X	X	X	X	X	X										
Start of activities by TA 3				X	X	X	X	X																					
TA 4 selection and contracting		X	X	X	X	X	X	X	X																				
Start of activities by TA 4										X	X	X	X	X	X	X	X	X	X	X	X	X	X	X	X				
TA 5 (FWC) tendering and contacting			X	X																									
Start of activities by TA 5					X	X	X	X	X																				
Works contract - selection and contracting											X	X	X	X	X	X	X	X											
Refurbishment of the selected schools																			X	X	X	X	X	X					
Supply contract 1– selection and contracting												X	X	X	X	X	X	X	X	X									
Supply of the equipment of the selected schools																					X	X	X	X					
TA 6 tendering and contacting										X	X	X	X	X	X	X	X												
Start of activities by TA 6																		X	X	X	X	X	X	X					
Supply contract 2 - selection and contracting	X	X	X	X																									
Supply of the equipment of 7 schools					X	X	X																						
Supply contract 3 - selection and contracting				X	X	X	X	X	X	X	X																		
Supply of computer equipment, relevant software and peripherals for 120 vocational schools												X	X	X	X	X													

[illegible]

(Works & Supply)															
Supply Contract 2			0.852	1.278	1.278	1.278	1.278	1.420	1.420	1.420	1.420	1.420	1.420	1.420	1.420
Supply contract 3						1.05	1.575	1.575	1.575	1.575	1.75	1.75	1.75	1.75	1.75
Total disbursement:			1.452	1.998	2.398	3.868	4.843	5.355	7.645	12.075	12.249	12.25	12.249	13.57	13.57

ANNEX 4

REFERENCE TO FEASIBILITY / PRE-FEASIBILITY STUDIES

1. Labour Market Study and VET Schools Infrastructure Study on the NW and SC Planning Regions of Bulgaria performed under PHARE 2000
2. Labour Market Study and VET Schools Infrastructure Study under PHARE 2001
3. Project Preparatory Facilities under Phare Program

ANNEX 5

LIST OF RELEVANT LAWS AND REGULATIONS

1. Law on Vocational Education and Training – SG N 68 /1999, amended: SG N 1 / 2000
2. Law on the Level of Schooling, the General Educational Minimum and the Syllabus- 1999
3. Public Education Law – SG N 86 /1991, last amendment: SG N 68 /1999
4. Rules governing the implementation of the Law on National Education-1999
5. Employment Promotion Act-SG N^O 112/2001
6. Labour Code- SGN 26/1986, last amendment: SGN 110/1999
7. Rule on Application of the Employment Promotion Act t – SG N 81 /1998
8. Framework Agreement between the Commission of the European Communities and the Republic of Bulgaria

ANNEX 6

REFERENCE TO RELEVANT GOVERNMENT STRATEGIC PLANS AND STUDIES

1. Accession Partnership
2. National Plan for Economic Development
3. Operational Human Resources Development Programme
4. Joint Assessment of Employment Priorities in Bulgaria (2002)
5. National Action plan for Employment
6. The Programme of the Government People are Bulgaria's Treasure (2001)
7. New Social Policy Strategy of the Government of Bulgaria (2002)
8. National Education Strategy in Information and Communication Technologies
9. National Report on the Memorandum on Life Long Learning
10. List of Vocations of NAVET

ANNEX 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.

ANNEX 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 2003 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, some primary and general secondary schools will be supplied with computer equipment, relevant software and peripherals. 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 primary and general secondary 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.

Annex 9

MINISTRY OF LABOUR AND SOCIAL POLICY

REPUBLIC OF BULGARIA

PHARE NATIONAL PROGRAMME 2004

Project “Human Resources Development and Promotion of Employment” BG2004/016-711.11.01

Argumentation for the direct award of a grant to the ILO/ITC

The Financial and Administrative Framework Agreement between the European Community and the United Nations (FAFA) was signed on 29 April 2003 by Deputy Secretary General Fréchette and Commissioner Nielson. It applies to all contribution-specific agreements signed between both organisations after that date.

The UN specialised agencies, which are autonomous from the Secretariat, are only covered by the agreement if and once they individually adhere to it. So far, the International Labour Organisation has acceded to the framework agreement, by an agreement signed on 4 July 2003. The adherence by the International Labour Organization (ILO) to the FAFA shall apply to all bodies of the Organization including the International Training Centre of the ILO (ITC/ILO).

The legal basis for the direct inclusion of the ITC/ILO in the **Project “Human Resources Development and Promotion of Employment” BG2004/016** is the Financial and Administrative Framework Agreement (FAFA) signed between the European Community and the United Nations, which agreement sets out the framework for the United Nations and the Commission to enhance their cooperation including programmatic partnership, and in particular the Agreement of July 8, 2003 between the European Community and the International Labour Organization by virtue of which the ILO adheres to the FAFA. Under the FAFA (Preamble) the UN organizations “may manage EU contributions ... to an operation, programme or project administered by the United Nations (referred to as an Action)”. The TA activities hereby assigned to be fulfilling by the ILO/ITC qualify as such an “Action”, and as such fall within the scope of co-operation between the UN and the European Community covered by the FAFA.

For the arrangement of the collaboration between the MLSP and the ILO/ITC a **Technical Co-operation Project Document** will be signed before the start of the project activities. In order to guarantee a smooth and timely implementation of the project activities, the Technical Cooperation Project Document with ILO/ITC shall be signed not later than the end of 2004.

The ILO/ITC will be engaged during the **whole period of project implementation**. For the project purposes the ILO/ITC will establish a National Project Office which will co-ordinate and support the activities to be implemented within the project duration.

The Government of the Republic of Bulgaria considers the ILO/ITC as the only one organisation capable to provide such kind of expertise and to support the implementation of the current project. The ILO/ITC is the unique partner for the following specific reasons:

1. The national survey on labour market needs which will be conducted within the project is designed as a pilot one. Moreover, a methodology will be established that will be further transformed in a systematic survey for regular analysis, prognoses and data collection. 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 labour force'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 as well as the Grant scheme development. The selection of the beneficiary schools and its 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 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".

In the project phases 2 and the ILO/ITC will update the results from the national survey and in Phase 3 it is also expected to conduct an impact assessment of the Grant schemes implementation under the first two phases – Gross and Net impact of the different activities implemented under the project (job creation, training of employed, training of unemployed, etc.); Specific attention should be given to the sustainability of the new jobs created, quality of the new jobs, effectiveness of the training and consultancy provided.

2. Institution building measures for local stakeholders to carry out the survey on a regular basis. The methodology that will be elaborated by the ILO/ITC will facilitate the development and applying of the survey by the MLSP. This is why the ILO/ILO will provide training to experts from the MLSP, the Employment Agency and its regional structures in order to create an institutional capacity for continuation of the activities after the project completion.

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

The ILO/ITC will organize a national seminar for the interested parties (employers' and workers' organizations, ministries and other institutions, occupational health services, research institutes). The seminar will be focused on effective OSH management systems from leading European countries and their adaptation within the enterprises. 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 OSH management systems and quality standards.

4. The areas of competence and expertise of ILO/ITC are directly corresponding to the objectives of the project "Human Resources Development and Promotion of Employment". The Centre works to enhance the capacity of governments, employers' organizations, workers' organizations and other social and economic actors to play an effective role in the economic and social development of their countries and regions.

The ILO/ITC training and research specialists are part of a worldwide network of resource persons and consultants from prestigious academic and training institutions, enterprises, trade unions, other governmental and non-governmental organizations.

Content-wise, courses are organized according to the different training areas, e.g. Employment and Skills Development. The main purpose is to share methods and good practice in developing and implementing national employment and training policies. Subjects include the equity dimensions of employment policies, labour market information, transition from school to work, training policy analysis and the evaluation of investment in training.

In performing its mandate, the International Training Centre can package and implement the full cycle of training activities and projects (context analysis, learning design, organisation and management, monitoring and evaluation) by capitalizing on the following characteristics:

- reservoir of expertise on the issues of concern to the ILO as well as on human resources development and capacity building;
- close links with the ILO both at HQ and in the field and with the United Nations system;
- strong client orientation, interdisciplinary perspective and gender-sensitivity in substance and methodology;
- constant benchmarking and evaluation;

The Turin Centre has a proven capacity to design, implement and evaluate, through its Regional and Technical Programmes, training activities that are in line with the mandate and the programmatic priorities of the ILO and to the benefit of its constituents. The Centre offers training and learning-related products and services that comprise methodological features that increase their added value.

In line with the D-G's views and in order to implement the recommendations of the Centre's Board, the Turin Centre's Third Five-Year Development Plan (2001-2005) confirms the centrality of its role in "*supporting the ILO's objectives and programmes, especially as regards enhanced technical co-operation*". Through its vision, the Centre positions itself as a "*training, learning and knowledge management organisation that enjoys the full trust of the ILO and its*

constituents, that is internationally recognised and valued for the content, quality, range and effectiveness of its products and services in the areas of primary concern to the ILO, the United Nations and other development partners". The first strategic direction for the fulfilment of this vision is a closer association with the ILO and in particular with its Sectors and InFocus Programmes. In addition, the Plan provides directions to the Technical Programmes for the operationalisation of the alignment with the ILO, in particular it stresses the need for close working relations with the corresponding Units in order that the training/learning services provided would have a high relevance for these Units and respond to the evolving needs of the constituents.

The Government of the Republic of Bulgaria considered that the services requested can only be provided by the ILO/ITC because this is the organization which develops the standards in the spheres such as employment policy and labour market development and to assist member states in such areas as job creation, sustainable local development, enterprise development and income generation. Given the above-mentioned and with reference to Art.110 of the Financial Regulation, we considered that the grant may be direct awarded to the ILO/ITC for the purpose of the project "Human Resources Development and Promotion of Employment" being the only one organization capable to provide these services.

Capacity statement

The ILO was established in 1919 to build a social framework for peace and stability within which economic processes could generate prosperity with social justice in the life of workers and in the world of work. Today, its primary goal is to promote opportunities for women and men to obtain decent and productive work, in conditions of freedom, equity, security and human dignity.

The ILO has four strategic objectives:

- The first covers *fundamental principles and rights at work*; it calls for renewed attention to ILO standards and the effective implementation of the ILO Declaration on Fundamental Principles and Rights at Work;
- The second concerns the creation of *greater employment and income opportunities for women and men*; the global economy has indeed an enormous potential for job creation, as well as many dangers;
- The third takes up the issue of *social protection for all*; in an increasingly volatile economic situation the need for security is ever more important;
- The fourth explores the issue of *social dialogue and tripartism*; it examines ways of strengthening the institutional capacity of ILO constituents and it promotes dialogue among social partners.

In 1965, the ILO and the Italian Government established the International Training Centre of the International Labour Organization in Turin, Italy. The Centre is committed to assisting countries in their social and economic development, through learning and training. It seeks to deliver the best thinking, practice and experience from the ILO and elsewhere concerning fundamental principles and rights at work; employment and income opportunities for women and men; social protection for all; tripartism and social dialogue; and management of the development process. The Centre offers its services to representatives of the three ILO constituencies: governments; workers' organizations; employers' organizations, and their partner institutions. Such services are also available to the United Nations system as a whole, including ILO staff.

Since 1996, in fact, the Centre has been supporting the United Nations Staff College, which offers to UN personnel and their national counterparts training sessions, executive forums, expert services and clearing house functions. To date, over 80,000 women and men from more than 170 nations have benefited from the Turin Centre's training and consultancy services. Each year, the number of activities exceeds 300 programmes and projects, and the number of participants exceeds 6,000. The Centre provides standard courses, customized learning events, comprehensive training projects, and advisory services. The Centre organizes, on request, learning programmes for individuals operating in public and private institutions and organizations. Customized programmes respond to the specific needs of developing countries and countries in transition of five regions: Africa, the Americas, Asia and the Pacific, Europe, and Arab States. Content-wise, courses are organized according to the different training areas, such as:

Employment and Skills Development

The Programme aims at sharing methods and good practice in developing and implementing national employment and training policies. Subjects include the equity dimensions of employment policies, labour market information, transition from school to work, training policy analysis and the evaluation of investment in training. Other subjects newly developed include the management of training institutions, policies and practices for improving conditions in the informal sector, and competency-based training. In all training activities explicit attention is devoted to gender issues.

Social Protection

The Programme seeks to achieve the ILO strategic objective of extending and enhancing the effectiveness of social protection for all through capacity building at the national level. The Programme focuses on improving the management and governance of social security institutions, poverty alleviation and the extension of social protection through community-based organizations, and training in the development and implementation of occupational safety and health systems. Participants include government officials, representatives of workers' and employers' organizations, as well as representatives from grassroots organizations and private enterprises.

Employers' Activities

Employers' organisations are one of the ILO's three constituent groups. Training aims to strengthen national capacities of employers' organisations and to promote tripartism. The Programme covers employment and labour market policies, enterprise development, human resource management, International Labour Standards, labour relations, occupational safety and health, project management, procurement, social security and pensions. Training courses and workshops, aimed at officials and staff of employers' organisations, are implemented in Turin and in the field.

Workers' Activities

As part of the ILO Major Programme on Workers' Activities under which all training activities concerning workers' organizations are coordinated, the Programme aims to upgrade the skills of staff who provide trade union leadership with training and support/advisory services. It focuses on International Labour Standards, labour relations, collective bargaining, social protection, occupational safety and health and environment systems, employment and labour market policies, and information technologies for trade unions. Training courses and workshops, aimed at officials and staff of trade union organizations, are implemented in Turin and in the field.

Management of Development

The Programme aims to enhance economy, efficiency and transparency in the management of public sector resources. The Programme provides formal, customized and on-the-job training in the management of investment and technical co-operation projects and in planning, executing and monitoring procurement operations in accordance with the guidelines of development banks, donors and/or national legislation. The target audience is project managers, implementation officers, procurement and project management trainers, officials involved in monitoring public expenditure in addition to interested personnel from civil society and the private sector.

To assist countries in their social and economic development, besides training proper, the Centre provides related **technical support and advisory services**, such as:

- identification of training needs
- project design

- provision of expertise
- on-line information and technical advice
- evaluation
- follow-up

The ILO's strategic objective of creating greater opportunities for men and women to secure decent employment and income dovetails with ensuring employment security and adjustment to changes in the global economy.

The European Social Fund Projects Unit at the Centre operates in the context of European Employment Strategy. The Centre has trained officials from central and local public government and civil society to design, manage and monitor programmes and projects co-financed by the ESF. The ITC team has built up unique experience of strengthening the ability of bodies to create employment through the social dimension of economic development and growth.

The Centre offers a comprehensive service that integrates residential group training, distance and cooperative learning, group study tours, individual training, consultancy, technical assistance, the design and implementation of training programmes and larger projects, research, monitoring and evaluation. The following areas are covered:

- management of the ESF
- equal opportunities
- improving employability by supporting training systems and employment services
- evaluating Projects

1.1. Introduction

In his Decent Work report to the ILC in 1999, the Director-General indicated that *“the Turin Centre could be systematically taken into account in ILO programming, when establishing work plans to implement the strategic objectives at headquarters or in the field, through technical cooperation programmes and projects”*. He confirmed this position in the *Common framework* heading of his Programme Guidance Letter of 23 April 2002: *“The ILO should mainstream its learning and capacity building strategy through the Turin Centre and the Institute. All our activities should be carried out in an environment that encourages innovation, collaboration and the sharing of knowledge”*.

The Centre's capacity to offer institutional support of quality was also recognised in relation to specific topics or contexts. In his report to the 2001 ILC on reducing the decent work deficit, the Director-General mentions the role that the Centre should have in promoting the Decent Work Agenda. *“The Turin Centre, for instance, could explore ways of multiplying its training for trade unionists and entrepreneurs on key issues, including leadership, the capabilities needed to promote fundamental principles and rights at work, gender equality, organizing strategies for the informal economy, and other priorities aiming at making decent work a reality.”*

In line with the D-G's views and in order to implement the recommendations of the Centre's Board, the Turin Centre's Third Five-Year Development Plan (2001-2005) confirms the centrality of its role in *"supporting the ILO's objectives and programmes, especially as regards enhanced technical co-operation"*. Through its vision, the Centre positions itself as a *"training, learning and knowledge management organisation that enjoys the full trust of the ILO and its constituents, that is internationally recognised and valued for the content, quality, range and effectiveness of its products and services in the areas of primary concern to the ILO, the United Nations and other development partners"*. The first strategic direction for the fulfilment of this vision is a closer association with the ILO and in particular with its Sectors and InFocus Programmes. In addition, the Plan provides directions to the Technical Programmes for the operationalisation of the alignment with the ILO, in particular it stresses the need for close working relations with the corresponding Units in order that the training/learning services provided would have a high relevance for these Units and respond to the evolving needs of the constituents.

1.2. The added value

The relevance of the training that is undertaken by the Centre and of the learning that participants experience can only be measured if sufficient added value is offered and if the Centre's advantage compared to other competing training institutions is perceived by its "users".

In performing its mandate, the Centre can package and implement the full cycle of training activities and projects (context analysis, learning design, organisation and management, monitoring and evaluation) by capitalizing on the following characteristics:

- reservoir of expertise on the issues of concern to the ILO as well as on human resources development and capacity building;
- in-depth knowledge of the specific social, economic and cultural conditions of different countries or regions, and constant fine-tuning and customization of its services in the language of the participant (Arabic, Chinese, English, French, Italian, Portuguese, Russian, Spanish);
- world-wide network of partner institutions and resource persons;
- close links with the ILO both at HQ and in the field and with the United Nations system;
- strong client orientation, interdisciplinary perspective and gender-sensitivity in substance and methodology;
- constant benchmarking and evaluation;
- cutting-edge information and communication technology;
- favourable location at the heart of Europe, allowing for relevant study visits;
- global scope and genuine multi-cultural learning environment.

1.3. Contribution to ILO's Strategic and Operational Objectives

In mid-2002, the Centre's Training Department consolidated its organisational set up by grouping its eight Technical Programmes (International Labour Standards and Human Rights, Employment and Skills Development, Enterprise Development, European Social Fund Projects, Social Protection, Social Dialogue, Workers' Activities, Employers' Activities) that can be related to the four strategic sectors of the ILO under the Sectoral

Programmes Group. Looking at the 2001 figures of the Centre's Training Department, almost 75% of its activities have been undertaken by these eight Programmes.

The Training Department's Regional Programmes focus on defining priorities in relation to the ILO regional objectives and the training and learning needs of the local constituents and development actors.

Through the 330 training activities undertaken by the Technical Programmes in 2001 for 6,500 participants, the Centre has contributed to the achievement of the four strategic and the ten operational objectives at the benefit of the ILO constituents.

In addition, within the training activities undertaken by other Centre's Units, activities in the areas of management of technical cooperation projects or local social and economic development contributed to the ILO mandate and to enhancing the effectiveness of its technical assistance.

The Centre has put in place a gender mainstreaming approach that is consistent with the ILO policy; a Gender Coordination Unit is also contributing to promoting this approach to actors and stakeholders in the regions through training and projects.

1.3.1. Use of ILO's financial contribution

The Centre attracts significant supplementary resources for its programmes. In the year 2001 the Centre has mobilized, from extra-budgetary sources, more than 85 per cent of the resources required to deliver its main programme in the four main priority sectors of the ILO, thus multiplying by a factor of 7 the level of RBTC support by the Office.

The mandate, strategic priorities, policies and programmes of the ILO have reached out to an audience of over 6,000 participants; this shows that a small initial investment contributed to a training/learning product which value is much higher.

1.3.2. ITC-ILO's training and learning offerings

The Turin Centre has a proven capacity to design, implement and evaluate, through its Regional and Technical Programmes, training activities that are in line with the mandate and the programmatic priorities of the ILO and to the benefit of its constituents. The Centre offers training and learning-related products and services that comprise methodological features that increase their added value:

- the "neutral" nature of the Centre's campus makes it into an ideal forum to discuss new developments or different perspectives concerning ILO-related issues without fear for attribution or retribution,
- the innovative mix of approaches used –including web-based and distance learning–,
- the integrated approach from initial design of programmes and projects to their follow-up,
- its learning-oriented support services (multi-media design and production, information technology labs, specialised documentation centre).

The Centre offers learning curricula and training activities that are either designed for a large target group based on needs identified through the ILO headquarters and its field network, or are tailor made to support well identified organisations or groups achieve their specific capacity strengthening objectives. Increasingly, training and expert meetings are designed for ILO staff, including in the context of HRD's staff development programme.

Most of the Centre's activities benefit, in one way or another, from cooperation with the ILO HQ or field structure. This cooperation takes the form of consultations during the design phase, contributions in the development of the curriculum, of the training programmes or of training material, identification of resource persons, delivery of training sessions or advisory services, joint organisation and/or the logistics of the activity (in particular for field-based activities).

For each of the ILO strategic objectives, a selection of particularly innovative, successful or promising programmes, is listed below:

Strategic objective 1:

- Training in support of the Declaration on Fundamental Principles and Rights at Work and its follow-up, currently in the area of freedom of association and progressively including the other fundamental rights. There is a declared interest for developing this area and high potential needs to be satisfied. [Cooperation with Declaration];
- International Labour Standards for judges, lawyers and legal educators, was initiated with an interregional/regional perspective; new demands have been expressed at the national level. [Cooperation with Normes];
- International Labour Standards, Productivity Improvement and Enterprise Development, offered at interregional or national level. This is a unique training curriculum where interdisciplinarity is put into action. [Cooperation with Normes].

Strategic objective 2:

- Linking decent work and employment-related matters such as Decent work and the informal sector, Decent work and poverty. These initiatives were initiated as ILO expert meetings; there is potential for offerings to a larger audience [Cooperation with Policy Integration and the Institute];
- Yearly international Business Development Services professional conference; in addition, a distance learning BDS course has been developed. This is a constantly growing programme of interest to a variety of audiences, including private consultants. [Cooperation with IFP/SEED];
- Project Cycle Management of the European Social Fund, in particular for the candidate countries to the European Union. This programme has been designed and implemented in a EU Member State is will now be adjusted to suit the needs of new entering countries.

Strategic objective 3:

- In the area of Occupational Safety and Health, the current capacities have been concentrated on Latin America, the programme will progressively be expanded to cover the needs of all the regions as there is both a need and a market. [Cooperation with SafeWork];
- The extension of social protection programme includes local level activities on social exclusion and has expansion possibilities in the area of reproductive health. [Cooperation with STEP];
- Social Security is a Centre's traditional offering the success of which is increasing (over-subscription) with possibilities of expansion to new geographic areas. [Cooperation with Protect/MSU].

Strategic objective 4:

- Training in Labour Conflict Management and Prevention is in increasing demand, so is training for the Promotion of a Culture of Social Dialogue, in particular in partnership with universities. The focus of these activities is on both processes and values. [Cooperation with IFP/Dialogue];
- Capacity building for Employers' Organisations is provided through a medium-term support in the areas of training, coaching, team development and project work. This programme is progressively offered to a series of sub-regional groups. [Cooperation with ACTEMP];
- The training and follow-up activities in support of Workers' Organisations deal with the most relevant aspects of the four strategic objectives of the ILO. Potential for expansion to cover all regions exists. [Cooperation with ACTRAV].