

## **SUMMARY PROJECT FICHE**

### **1. Basic Information**

1.1 Désirée Number: BG 0004.03

1.2 Title: **INVESTMENT IN LABOUR MARKET DEVELOPMENT AND VOCATIONAL TRAINING DEVELOPMENT**

1.3 Sector: Economic & social cohesion

1.4 Location: North West and South Central NUTS II regions

### **2. Objectives:**

2.1 Wider Objective:

To improve 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.

2.2 Immediate Objectives:

To assist unemployed people and other disadvantaged groups to find employment by means of providing financial assistance for new relevant vocational training courses to be delivered and for the costs incurred by the trainees to be covered.

2.3 Accession Partnership and NPAA priority

2.3.1 Accession Partnership

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

2.3.2 The NPAA

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

- “Stimulating the creation of new jobs;”
- “Stimulating the start-up of self employed business activities;”

Provision of quality vocational training with well trained teachers, relevant curricula, and good equipment and facilities often encourages the recipients towards self-employment and increases the flexibility and adaptability of the labour force.

The project will also support the priorities and targets of the chapter on Education and Science of the NPAA. The proposed project will support the achievement of the following targets which are specified in the NPAA:

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

#### 2.4 Contribution to National Development Plan

- The project is closely connected to the education priority of the **National Development Plan** i.e. improving the quality of life and adapting human resources to market requirements.
- In the chapter “Special Needs Education and Training” it is stated that in order to ensure equal access for people with special needs, an adequate education infrastructure should be provided – including equipment and premises. The project is formulated specifically to meet this priority action.

#### 2.5 Contribution to the NUTS II Regional plans

Both regional development plans drew the following key conclusions:

- “The condition of the building and the facilities of almost all of the vocational training centres is very poor and most lack the necessary equipment to deliver appropriate training courses”.
- “The number of persons participating in vocational training in the region is very low”. In North West region only 3.55% of the unemployed benefited from vocational training in 1998”.

In relation to unemployment the key conclusions drawn in the plans are:

- “The level of unemployment in the region is rising”.
- “There are major disparities in unemployment levels in the region”
- “The majority of the long-term unemployed are without any kind of vocational qualification and this has contributed to the emergence of a number of risk groups”.
- “Employment programmes manage to target 1% of the unemployed per year”

Both plans have defined intermediate objectives of “reducing the level of regional unemployment by improving human resource development”. The project is one of the measures designed to achieve this objective.

### **3. Description:**

#### **3.1 Background and justification:**

The restructuring in industries dominated by loss-making state-owned enterprises has resulted in significant increases the numbers unemployed in Bulgaria. In the short-term, increased unemployment is an inevitable consequence of such market adjustment, however, whether this increase in unemployment will become permanent, or not, will depend upon a number of factors.

The two dominant factors which will determine how the labour market will adjust to such conditions are the ability of the economy to create new jobs to replace those shed, and the capacity of the labour force to fill the jobs which are being created.

The demand for labour is a feature of new business development, and the expansion of existing businesses and the Government of Bulgaria is seeking to act on both of these fronts with a range of policies and projects, a number of which are being supported by Phare.

As in most other European economies, in Bulgaria there is a mis-match between the skills and abilities of the unemployed, and the skills and abilities which are in demand by those employers who are seeking to take on additional staff. For disadvantaged groups within the labour force (young people, women, the disabled, long-term unemployed and some ethnic minorities groups) the situation is even more grave, social exclusion being the consequence.

Currently, in Bulgaria, vocational training providers are ill prepared to train or re-train redundant workers. In most instances the training curricula are out-dated and inappropriate, rendering the resulting training ineffective and of little value to those being trained.

This project will provide support to unemployed workers and other disadvantaged groups in the North West and South Central regions to benefit from vocational training which will broaden their existing skills base and allow them to develop new skills.. Similarly, the project will provide a facility through which worker can develop new, skills more appropriate to the demands of the new millennium.

It is therefore proposed that Phare investment funds and Bulgarian Government cofinancing be used to:

- facilitate the development of new types of vocational training courses
- increase access of disadvantaged groups within the labour force to vocational training in the two regions
- create a mechanism through which existing workers can receive retraining and be reskilled thereby increasing their value to employers and fund a number of pilot actions in this area.

### 3.2 Linked activities:

The Ministry of Labour and Social Policy has experience of providing similar training for such groups. Relevant projects in this respect are:

- Labour Market and Social Policy Project. Component 1: Social Reaction the Consequences of the Structural Reform - Job Creation;
- Labour Market Development Programme. Component 3: Technical Services for the Development of Local Strategies for Economic and Employment Growth in Bulgaria.

The Ministry of Labour and Social Policy was also the recipient of World Bank assistance to:

- train ministry staff on tender procedures, selection of training and retraining providers
- assist the development and implementation of vocational training and qualifications standards
- development of methods to train and retrain disadvantaged groups - young people, long-term unemployed, disabled persons.

The project also included the training of trainers in all of the areas listed above.

The Ministry of Labour and Social Policy has also been the recipient of technical assistance provided through a number of projects funded under bilateral aid programmes. These include:

- the establishment of three training centres for qualification and re-qualification in the towns of Stara Zagora and Pazardjik (both in the target regions), and in Pleven (German bilateral assistance)
- development of a system for vocational guidance of youth and adults in Bulgaria also with the assistance from Germany
- support for the organisation of measures for vocational training and qualification for unemployed young people with the assistance from Austria
- the Quick Start Program for vocational training of workers for certain jobs with American assistance
- a project to encourage employers to adopt a positive attitude towards the employment of disabled persons, UK Know-How Fund assistance
- under the RIF project funded jointly by the WB and the UNDP, “innovative” vocational training and job-generation schemes are supported . The role of the Ministry is to coordinate these actions at the national level.

Vocational Education Training projects under EU Phare Programme:

- Upgrading of VET - to provide a new largely modular curricula of up to 20 occupational areas;
- Teacher Career Path - new model for teacher development;
- Foreign Language Training - equipment for three regional centres for foreign language teaching.

The Ministry of Education and Science has prepared a proposal to be funded under Phare 2000, “Investment in the Vocational Training Infrastructure” which will upgrade

facilities in 7 training centres in the two regions. These refurbished centres will be well placed to tender for contracts to provide training to the unemployed and other disadvantaged groups to be funded under this project.

### 3.3 Results:

The project will produce the following results:

- enhanced vocational training and retraining capacity among training providers
- a range of new vocational training courses which focus on the training of unemployed persons and members of disadvantaged groups
- the extension of training and retraining courses to individuals in the two regions who have not previously benefited from such training
- an increase in the number of persons in the two regions taking up training places
- a take up of retraining opportunities by employers who previously have not previously taken the benefit of retraining schemes for their workers.

In terms of specific outputs the project will:

- deliver over 500 new training courses for unemployed persons and members of disadvantaged groups
- train over 6000 unemployed persons and persons from disadvantaged groups
- provide retraining for over 1500 workers
- an increase of 20% in the numbers of trainees finding employment within 6 months of completion of the training
- increase labour mobility and job retention among existing employed persons in the two regions.

### 3.4 Activities:

In order to be able to produce these outputs it will be necessary to:

- immediately set up the Project Steering Committee
- commission and commence a labour market survey in the each region (to be financed by BG 99.19 – Project Preparation Facility)
- set up and properly resource a PIU to implement the project
- act upon the results and recommendations of the labour market surveys
- disseminate understanding and heighten awareness in relation to the new skills to be developed, new training courses and new forms of training
- prepare, organise and launch all the necessary tenders for the training and retraining to be provided
- disseminate information widely throughout the two regions concerning the training and retraining places to be offered as a result of to the support provided by this project
- supervise and monitor the progress of the project.

The training and retraining to be provided will be organised by means of tenders to provide specified training and retraining services. The selection of trainers will be fully based upon DIS Manual procedures.

Institution building support will be provided within the project. A contract will be let to provide for external assistance to provide advice and support to the PIU in the development of programmes of training and retraining measures to be implemented in the regions and to communicate recommendations to the Project Steering Committee. The external assistance will work with the PIU to translate the conclusions of the two labour market surveys into a programme of training and retraining which will :

- identify the types of training courses to be provided in the two regions
- determine the number of such courses, their location and timing
- establish a timetable for delivery and on this basis establish implementation milestones for preparation of Terms of Reference, instructions to tenderers, distribution of Invitations to Tender, submission of offers, tender evaluations, approval by the Project Steering Committee in relation to all training provision to be tendered.

The experts providing the Institution Building support will work in close contact with relevant technical structures in the two regions (the District Development Council Employment Committees and the labour offices) to ensure that:

- this programme is fully understood and more specifically, that
- they fully understand the types of training to be encouraged in the two regions
- they agree to play the role of « animateurs » in the regions to make sure that all training providers are aware of the possibilities offered by this project
- they agree to be actively involved in promoting/obtaining the participation of the unemployed and others from disadvantaged groups in the training to be provided.

#### **4. Institutional framework:**

The Ministry of Regional Development and Public Works will be the Implementing Agency and will have the following key overall responsibilities:

- allocation of funds to the Ministry of Labour and Social Policy
- verification all contract documentation and payment authorisation
- monitoring and evaluation of the project.

The technical implementation of the project is the responsibility of the Ministry of Labour and Social Policy.

The specific responsibilities of the Ministry of Regional Development and Public Works and the Ministry of Labour and Social Policy will be set out, in detail, in the Memorandum of Understanding to be agreed before the project commences.

To facilitate effective practical implementation, the Ministry of Labour and Social Policy will establish two new structures :

- a Programme Implementation Unit, and
- a Project Steering Committee which will include regional representatives and representatives from the social partners

These new structures are to be created expressly to facilitate the effective implementation of the project and will not result in any change to the institutional framework for vocational training in Bulgaria. Nevertheless, the involvement of regional representatives and the social partners in the Project Steering Committee will create an implementation structure similar to those involved in the implementation of EU supported projects in the member states, and introduces an element of partnership working, hitherto, rarely seen in Bulgaria.

Implementation of the project could be constrained by difficulties arising in the appraisal of offers received to provide training and retraining packages. The PIU and the Project Steering Committee will both benefit from having access to independent expert assistance which will be guaranteed through the institution building component which is proposed for the project. This will take the form of a foreign adviser who will work in the PIU for 10.5 man-months over a calendar year and a pool of short-term experts who will be used specifically to help prepare two regional programmes of training (3 experts for a total of 9 man-months). The estimated total cost of this institution building component is 300,000 Euro.

The training to be provided, will be contracted according to DIS Manual procedures. The contracts will be signed and awarded by the PAO in the Ministry of Regional Development and Public Works who will act upon requests received from the Ministry of Labour and Social Policy. On this specific issue, and on others of strategic significance to the project e.g. :

- approval of the Terms of Reference for the labour market surveys
- approval of the conclusions and recommendations from the labour market surveys
- acceptance of the programmes of regional training measures
- allocation of the budget between the regions and any modifications to this allocation.

the Ministry of Labour and Social Policy will draw upon the recommendations of the Project Steering Committee. The Project Steering Committee, to be chaired by a senior official from the Ministry of Regional Policy and Public Works, will oversee the contracting process and will, on the basis of reports prepared by the PIU, bring to the attention of the Senior Programme Officer in the Ministry of Labour and Social Policy any matters which require his/her attention. The Senior Programme Officer will be the Head of the PIU and he/she will be a senior civil servant from within the Ministry appointed by the Minister of Labour and Social Policy, with the approval of the Ministry of Regional Policy and Public Works.

The PIU will be responsible for the launch of tenders. In this instance, and in others (recommending approvals to the Senior Programme Officer in the Ministry of Labour and Social Policy, monitoring and reporting progress to the Senior Programme Officer in the Ministry of Labour and Social Policy) the PIU will act as the Secretariat of the Project Steering Committee.

## 5. Detailed Budget (6.25 M EUR0) :

|  | Phare Support      |       |                      |       |                       |              |                      |       |      |    |              |
|--|--------------------|-------|----------------------|-------|-----------------------|--------------|----------------------|-------|------|----|--------------|
|  | Investment Support |       | Institution Building |       | Total Phare (= I +IB) |              | National Cofinancing |       | IFI* |    | TOTAL        |
|  | NW                 | SC    | NW                   | SC    | NW                    | SC           | NW                   | SC    | NW   | SC |              |
| Institution Building                     |                    |       | 0.151                | 0.089 | <b>0.151</b>          | <b>0.089</b> | 0.037                | 0.023 |      |    | <b>0.3</b>   |
| Training of Unemployed etc.              | 2.249              | 1.321 |                      |       | <b>2.249</b>          | <b>1.321</b> | 0.562                | 0.331 |      |    | <b>4.463</b> |
| Pilot programme for retraining employees | 0.749              | 0.44  |                      |       | <b>0.749</b>          | <b>0.44</b>  | 0.188                | 0.11  |      |    | <b>1.487</b> |
| Total                                    | 2.998              | 1.761 | 0.151                | 0.089 | <b>3.15</b>           | <b>1.85</b>  | 0.787                | 0.464 |      |    | <b>6.25</b>  |

## 6. Implementation arrangements

The Implementing Agency is the Ministry of Regional Development and Public Works, and to assure effective implementation will establish and resource (staff costs, telecommunications, accommodation, consumables) a (ESC) unit. The technical implementation of the project will be the responsibility of the Ministry of Labour and Social Policy, the exact nature of the relations between the two being specified in the Memorandum of Understanding to be signed.

The PIU will be responsible for day-to-day implementation of the project. In this respect, the PIU will ensure that the issuing of contracts to cover the choice of the trainers to be selected and the training courses to be provided will be undertaken in strict accordance with DIS Manual procedures and will be authorised by the PAO in the Ministry of Regional Development and Public Works. Since the responsibility for the technical implementation lies with the Ministry of Labour and Social Policy, it will be required to provide the necessary assurances to the EU that the PIU will be adequately resourced for the life of the project (staffing levels and staff salaries, accommodation and accommodation costs, telecommunications, consumables, etc.).

The Project Steering Committee will provide strategic project direction and guidance to the PIU. Further assistance to the PIU will come in the form of along-term external adviser and short-term experts. The long-term adviser will be contracted for a period of one calendar year, and will be located in the PIU. The external adviser will participate, as an observer, in the meetings of the Project Steering Committee.



The Project Steering Committee should comprise representatives of:

- the Ministry of Regional Development and Public Works (two)
- Ministry of Labour and Social Policy (two)
- the Ministry of Education and Science (two)
- National Employment Service (one)
- National SME Agency (one)
- the Delegation of the EU (one)
- one Governor representing the 3 Districts in the North West region and one Governor representing the 6 Districts in the South Central region
- the Bulgarian Industrial Association (one)
- the Bulgarian Chamber of Commerce (one)
- the PODKREPA and KNSB trade unions (one each = two).

The Project Steering Committee will be Chaired by the senior representative from the Ministry of Regional Development and Public Works. The Project Steering Committee will be set up immediately in order to take on responsibility for the labour market surveys to be undertaken.

The Project Steering Committee will be the body to which all important decisions concerning technical and professional aspects are referred. These will include **recommendations** for:

- approval of Terms of Reference for the surveys
- approval for the acceptance of the surveys (when completed)
- actions within the regions which are in line with indicative expenditure allocations between the two regions
- changes to actions proposed within the project which are required to bring actual disbursements into line with projected expenditure on the basis of an indicative allocation between the regions
- changes to the training to be provided in the regions to address needs as defined as a result of the labour market surveys to be carried out
- changes to the training to be provided in response to the take-up of places and other problems which may arise.

These recommendations will be passed from the Project Steering Committee to the Senior Programme Officer in the Ministry of Labour and Social Policy for final approval. In the event that the Senior Programme Officer does not act upon the recommendations of the Project Steering Committee, this must be clearly explained to the Project Steering Committee, in writing. If the Project Steering Committee feel, following this procedure that the decision to be taken will be to the detriment of the project they can appeal to the PAO, who will consider the competing views and adjudicate.

An indicative allocation of investment funds between the two (NUTS II) regions is proposed:

- 3.15 M Euro for the North West region
- 1.85 M Euro for the South Central region.

The final allocation of the funds available will be decided by the PAO in the Ministry of Regional Development and Public Works, on the basis of recommendations received from the Project Steering Committee.

This allocation is made on the basis of the comparative unemployment levels in the two regions for 1998, as outlined in the regional development plans (23.6% in the North West and 13.9% in the South Central region). The Project Steering Committee will monitor the commitment of funds over the two regions and will alert the Senior Programme Office in the Ministry of Labour and Social Policy when expenditure levels relating to proposals for training threaten to depart from these indicative allocations. In such circumstances the Project Steering Committee will recommend specific courses of action to the Senior Programme Office in the Ministry of Labour and Social Policy.

The regional labour market surveys will:

- identify (on the basis of a rigorous Strengths, Weaknesses, Opportunities and Threats analysis) those sectors and specific activities which will become significant in terms of creating a future demand for labour in the region, and from this
- those skills, competencies and working practices which will be required
- identify (on the basis of a rigorous SWOT analysis) those sectors and specific activities for which future demand for labour will decline, and from this
- those skills, competencies and working practices which are threatened
- establish what training would be required to address the challenges set by the changes in the regional labour market identified by the SWOT analysis
- assess the existing capacity within the region and at the national level to develop and deliver training which responds to the identified challenges
- in relation to key activities and key skills outline specific training requirements
- develop training programmes to meet needs in key activity/skills areas.

The reports containing the results and recommendations from the surveys will be submitted to the PIU who will pass them on to the Project Steering Committee. The Project Steering Committee will examine the work completed and make a recommendation to the Senior Programme Officer in the Ministry of Labour and Social Policy concerning the acceptance of the reports

Following the acceptance of their findings, the consultants will be required to organise a workshop in each region to disseminate understanding of the conclusions reached. These workshops will be targeted on vocational training providers with the objective of making them fully aware of the types of training which will require to be provided in the two regions.

The guidance on the training and retraining required in the two regions, which will be found in the conclusions and recommendations coming from the surveys, will then be

picked up by the PIU, which, drawing upon the expertise of its long-term adviser will produce a programme of training and retraining measures for each region. The District Development Councils Employment Committees and the local Labour Offices will be fully consulted in the development of this programme of measures. The two programmes will then be put to the Project Steering Committee which will be required to make a recommendation to the Senior Programme Officer in the Ministry of Labour and Social Policy. On approval this becomes a programming document for the training and retraining services to be provided.

The surveys will make recommendations about the respective allocation of funding to training and retraining measures and the Project Steering Committee will be responsible for monitoring commitments and disbursements to ensure that this allocation is respected. Where difficulties arise in committing a full allocation, or indications of a strong demand for a specific type of training arise, the PIU in its reporting to the Project Steering Committee can request a modification from the indicative allocations to ensure effective disbursement.

In the case of training for the unemployed and disadvantaged a number of tenders will be organised. These may relate to the provision of specific forms of training, and specific locations, or where feasible training actions may be grouped and contracted through tenders where specific services to be provided form lots to be bid for. The exact formulation in every case will be decided upon by the PIU., who will seek (where sensible) to group services to be provided to minimise within reason the number of contracts to be let, however in each and every case DIS Manual procedures will be followed to the letter.

Certain types of training courses for the unemployed and disadvantaged groups may be repeated and in this case the timing of the courses will be of vital importance if training places are to be filled. The PIU, in such cases, will consult in detail with the District Development Council Employment Committees and the local Labour Offices and take their advice on the local capacity to fill such places. Such training could form the basis of a single contract with the timing of repeat courses forming part of the "Instructions to Tenderers".

In accordance with DIS Manual procedures, the delivery of the training to be supported by this project will be open to all competent bodies, whether public or private. Tenders will be open and advertised. The PIU will draw up Terms of Reference and the approval of the Project Steering Committee will be sought before ToRs are distributed..

Training providers will tender to provide the full range of services specified in the Terms of Reference and their offers will specify the numbers of persons to be trained and the cost per trainee. Provision for travel costs, where necessary will also be permitted. Contractors will be required to maintain all necessary documentation to support their claims for reimbursement of these items (attendance records/timesheets, signed receipts, etc.).

The PIU will establish, in full, what documents will be required and contractors will be fully briefed on their obligations and issued with pro-forma documents. As reimbursables, these costs will only be recoverable where all necessary records are available.

The retraining of workers will also be supported under this project. The objective will be to assist employers to upgrade the skills of their employees and to help employers address new market opportunities by developing new skills among their workforce.

Using the external assistance available the PIU will prepare a pilot programme consisting of a series of measures for retraining of workers in key sectors which are relevant in terms of the industrial structure of the two regions. A small number (4 or 5) of “framework” type contracts will be established to provide training in these sectors. The selection of the Framework Contractors will be made on the basis of their responses to Terms of Reference prepared by the PIU with the support of the external assistance. The Terms of Reference will have been approved by the Project Steering Committee.

The training to be provided will be specific to the needs of employers in these key sectors, and enterprises within the two regions will be able to request support in the form of on the job training for their employees. Companies wishing to participate will complete an standard application form, which will be developed by the PIU (with the support of the external assistance) and submitted to the Project Steering Committee for approval. The application form, and any supporting information which is required, will be submitted to the local Labour Offices who will verify the information which has been provided. Proposals from employers which have been fully verified by the local Labour Offices will then be sent to the PIU, which will submit them to the Project Selection Committee for approval. Approved projects will be sent to the relevant Framework Contractor who will deliver the training.

The enterprises which benefit from such retraining will be required to cover at least 25% of the costs of the training concerned. This can be in cash or in kind (qualifying contributions to include staff salaries while being trained, an amount equivalent to rental for use of equipment, value of materials used/consumed, an amount equivalent to rental of premises). The contribution of the participating enterprises will be verified by the local Labour Offices who will also be responsible for the collection of cash contributions which will be returned to the Ministry of Labour and Social Policy.

For this to be applied:

- the Framework Contractor will have to respond to the invitation to provide training services with a fully costed proposal
- the PIU will appraise the proposal from the Framework Contractor, in terms of its cost effectiveness and the relevance and quality of the training being recommended and will give its approval for the training to go ahead or not
- the PIU communicates the cost of the training to the enterprises and requests confirmation of their willingness to proceed
- the Framework Contractors can submit on a monthly basis claims to the PIU for payment in relation to training provided
- the Minister of Labour and Social Policy will reimburse the Framework Contractors for 100% of the costs of training provided (as identified in their approved costed proposal).

The Ministry of Regional Policy and Public Works, as the Implementing Agency, will be responsible for the selection of all contractors. For this purpose, for each tender, an evaluation committee must be formed, and the DIS Manual provides guidance in this

respect which must be followed. As a number of tenders will have to be organised it will be of value to establish a Project Selection Committee which, in relation to each individual contract will carry out the functions of the tender evaluation committee as they are defined in the DIS Manual. The Ministry of Regional Development and Public Works will chair this committee. To ensure the participation of the regions in the selection of the contractors to provide the training, representatives from within the two regions should be among its members

#### 6.1 Twinning

Not applicable.

#### 6.2 Non-standard aspects

There are no non standard elements to the project.

#### 6.3 Contracts

There will be two types of contracts: framework contracts for retraining services to enterprises and standard services contracts for the training of the unemployed and other disadvantaged groups.

### 7. Implementation schedule

| Start of project | Start of project activity | Completion    |
|------------------|---------------------------|---------------|
| January 2001     | June 2001                 | December 2002 |

### 8. Equal Opportunity

The decision making and the implementation bodies will guarantee the principle of equal opportunities of access to the project activities both at project and management level.

### 9. Environment

Not applicable.

### 10. Rates of return

Rates of return can only be calculated for individual projects approved under this scheme.

### 11. Investment criteria

#### 11.1 *Catalytic Effect*

The project will initiate investment by domestic and foreign enterprises who will be required to finance at least 25% of the cost of training under the scheme.

#### 11.2 *Additionality*

EC finance will be additional to that allocated to the national scheme through the Bulgarian national budget. The scheme of active labour market measures (ALMM) is stated in the Unemployment Security and Employment Incentives Act. Under a World Bank project currently a survey on the Net Impact of ALMM in Bulgaria is carried out. The results are expected before the end of year 2000.

### *11.3 Project readiness and Size:*

The project will be over the minimum of M EURO 2 required by Phare Programme.

### *11.4 Sustainability*

The scheme will continue to be operated by the Ministry of Labour and social Policy with the subsequent addition of criteria to involve regional stakeholders, more centrally, in the process. The projects referred to section 3.2 provide evidence of the commitment of the Bulgaria Authorities to this type of activity. are a proof sustainability.

### *11.5 Competition Criteria*

The scheme is in accordance with Article 92 (3) (a) of the Treaty of Rome with respect to regional aid in an Objective 1 Member State.

## **12. Conditionality and sequencing**

Establishment of an effective Implementing Agency before project implementation.

The completion of the regional labour market surveys is a prerequisite for the commencement of the project. Equally, the signing of a Memorandum of Understanding between the Ministry of Regional Development and Public Works with the Ministry of Education and Science specifying respective responsibilities in terms of the management and the implementation of the project will be required.

Key milestones will be:

- establishment of the PIU and the Project Steering Committee
- setting ToRs for the labour market surveys (BG 99.19)
- completion of the labour market surveys (to be financed by BG 99.19)
- development of regional programmes of training and retraining measures
- letting of the contracts to train unemployed and disadvantaged groups
- delivery of training for the unemployed and persons from other disadvantaged groups
- letting Framework Contracts for the retraining of workers
- submission of quality proposals from employers
- delivery of pilot retraining programmes in the regions.

|   |   |  |   |  |
|---|---|--|---|--|
| Annex 1 to Project Fiche  |   |  | Programme name and number:  |  |
| <b>LOGFRAME PLANNING MATRIX FOR<br/>INVESTMENT IN LABOUR MARKET DEVELOPMENT AND VOCATIONAL<br/>TRAINING DEVELOPMENT</b>   |   |  | Contracting period expires:<br>December 2002  | Disbursement period expires: December 2003 |
| <i>Project Number</i>   |   |  | Total Budget:<br>6,25 M EURO  | Phare contribution:<br>5 M EURO            |
| <b>Wider Objective</b>  | <b>Indicators of Achievement</b>  | <b>How, When and By Whom<br/>Indicators Will Be Measured</b>   |   |  |
| To improve 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.  | Increased numbers of the unemployed and persons from disadvantaged groups taking up employment following training; improved job security and increased mobility for retrained workers | Ex-post assessment of the project by the PIU based upon Labour Office records, and information provided by training institutions | <b>Performance of the economy results in number of jobs falling, insufficient information provided to potential beneficiaries about opportunities provided by this project.</b> |  |
| <b>Immediate Objective<br/>(Purpose)</b>  |   | <b>How, When and By Whom<br/>Indicators Will Be Measured</b>   | <b>Assumptions and Risks</b>  |  |
| To assist unemployed people and other disadvantaged groups to find employment by means of providing financial assistance for new relevant vocational training courses to be delivered and for the costs incurred by the trainees to be covered. | Increased take up of training from within disadvantaged groups in the regions; increase in the numbers of workers in the regions undergoing retraining in the regions.                | Records of training institutions, contractors reports, reports of the PIU to the Project Steering Committee.                     | Sufficient good technical proposals are received for services tendered, sufficient enterprises can contribute at least 25% of the value of the cost of retraining their workers |  |

| Results   | Indicators of Achievement*  | How, When and By Whom Indicators Will Be Measured  | Assumptions and Risks   |
|---|---|--|---|
| enhanced vocational training and retraining capacity among training providers; a range of new vocational training courses which focus on the training of unemployed persons and members of disadvantaged groups; the extension of training and retraining courses to individuals in the two regions who have not previously benefited from such training; an increase in the number of persons in the two regions taking up training places; a take up of retraining opportunities by employers who previously have not previously taken the benefit of retraining schemes for their workers. | over 500 new training courses for unemployed persons and members of disadvantaged groups; training for over 6000 unemployed persons and persons from disadvantaged groups; retraining for over 1500 workers; an increase of 20% in the numbers of trainees finding employment within 6 months of completion of the training; increase labour mobility and job retention among existing employed persons in the two regions. | Contractors reports, records of training institutions, PIU reports to the Project steering Committee | <ul style="list-style-type: none"> <li>• Commitment of all the contractors and stakeholders to the achievement of the project objectives</li> <li>• Predictability of the economic environment</li> </ul> |
| Activities  |   |  | Assumptions and Risks   |
| immediately set up the Project Steering Committee; set up and properly resource a PIU to implement the project act upon the results and recommendations of the labour market surveys; contract external assistance; disseminate understanding and heighten awareness in relation to the new   | <b>MLSP creates PIU and allocates a budget;</b> Project Steering Committee created;; external assistance in place; <b>200 service contracts for training; 4/5 framework contracts for workers retraining, monitoring and evaluation by the Project Steering Committee</b>   | Contractors reports to the PIU, PIU reports  | local training providers capable & willing to tender;<br>MLSP funding for the PIU; Project Steering Committee can function without conflict   |



|   |  |  |  |
|---|--|--|--|
| skills to be developed, new training courses and new forms of training; prepare, organise and launch all the necessary tenders for the training and retraining to be provided; disseminate information widely throughout the two regions concerning the training and retraining places to be offered as a result of to the support provided by this project; supervise and monitor the progress of the project. |  |  |  |
|---|--|--|--|

## APPENDIX 2

| Components  | 2000 |   |   |   |   |   |   | 2001 |   |   |   |   |   |   | 2002 |   |   |   |   |   |   | 2003 |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
|---|------|---|---|---|---|---|---|------|---|---|---|---|---|---|------|---|---|---|---|---|---|------|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|--|
|   | J    | J | A | S | O | N | D | J    | F | M | A | M | J | J | A    | S | O | N | D | J | F | M    | A | M | J | J | A | S | O | N | D | J | F | M | A | M | J | J | A | S | O | N | D |   |  |
| Establishment/Operation of 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 | X | X | X | X | X | X | X | X | X | X | X | X | X | X | X |  |
| Project Steering Committee to be established  | X    | X |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Development of regional programmes of measures from survey results                                  |      |   |   |   |   |   |   |      |   |   | X | X | X |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Contracting of external assistance  |      |   |   |   |   |   |   |      |   | X |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Preparation and launching of tenders for training of the unemployed and other disadvantaged persons |      |   |   |   |   |   |   |      |   | X | X | X | X | X | X    | X | X | X | X | X | X | X    | X | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Training of the unemployed and other disadvantaged persons  |      |   |   |   |   |   |   |      |   |   |   |   |   | X | X    | X | X | X | X | X | X | X    | X | X | X | X | X | X | X | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Preparation of framework contracts for pilot retraining activities                                  |      |   |   |   |   |   |   |      |   |   |   |   |   |   | X    | X | X | X | X | X |   |      |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Pilot retraining of workers   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   | X | X | X    | X | X | X | X | X | X | X | X | X |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Mid-term evaluation   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   | X |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |   |  |
| Final evaluation  |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   | X | X |   |   |   |   |   |   |   |   |   |   |  |
| Audit   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |      |   |   |   |   |   |   |   |   |   |   |   |   | X |   |   |   |   |   |   |   |   |   |  |

## APPENDIX 3

| APPENDIX 3   |          |          |          |          |          |          |          |          |          |
|--|----------|----------|----------|----------|----------|----------|----------|----------|----------|
| INVESTMENT IN LABOUR MARKET DEVELOPMENT AND VOCATIONAL TRAINING DEVELOPMENT  |          |          |          |          |          |          |          |          |          |
| CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (M Euro)  |          |          |          |          |          |          |          |          |          |
| Date   | 31/12/00 | 31/03/01 | 30/06/01 | 30/09/01 | 31/12/01 | 31/03/02 | 30/06/02 | 30/09/02 | 31/12/02 |
| Contracted   |          | 0.134    | 1.7      | 4.00     | 6.25     |          |          |          |          |
| Disbursed  |          | 0.09     | 0.56     | 1.7      | 2.9      | 4.1      | 5.3      | 6.25     |          |
| NB: 1. All contracting should normally be completed within 6-12 months and must be completed within 24 months after signature the FM |          |          |          |          |          |          |          |          |          |
| 5. All disbursements must be completed within 36 months after signature the FM   |          |          |          |          |          |          |          |          |          |

## **APPENDIX 4**

### **REFERENCE TO FEASIBILITY/PRE-FEASIBILITY STUDIES**

1. Results from the Implementation of the System for Monitoring and Assessment of the Programmes and Measures of the Labour Market - Report 1999.
2. Evaluation of the Net Impact of Active Labour Market Programmes - preliminary data
3. Labour Force Survey - NSI - Sofia, 1999

**LIST OF RELEVANT LAWS**

1. Labour Code – SG. N 110/ 17.12.1999
2. Law on Protection against Unemployment and Promotion of Employment – SG. N 1/ 04.01.2000
3. Rules on the Application of the Law on Protection against Unemployment and Promotion of Employment –
4. Law on Small and Medium Enterprises - SG. N 84/ 24.09.1999
5. Law on Professional Education and Training - SG. N 1/ 04.01.2000
6. State Budget Law 2000 – SG N 1/ 04.01.2000
7. Public Education Law – SG N 68/ 30.07.1999
8. Framework Agreement between the Commission of the European Communities and the Republic of Bulgaria
9. Resolution N 57 of the Council of Ministers / 21.12.1998 – " Rules for development and implementation of employment programmes "

**LIST OF GOVERNMENT STRATEGIC PLANS AND STUDIES**

1. Government AGENDA 2001.
2. Government AGENDA 2001 - Implementation Plan.
3. National Economic Development Plan 2000-2006.
4. District Plans for Regional Development - 9 districts
5. National Regional Development Plan 2000-2006

## **STATUS AND FUNCTIONS OF THE DISTRICT REGIONAL DEVELOPMENT COUNCILS AT THE DISTRICTS ADMINISTRATION**

THE DISTRICTS DEVELOPMENT COUNCILS HAVE BEEN ESTABLISHED IN ACCORDANCE WITH REGIONAL DEVELOPMENT ACT, ART. 9(1).

AS IT IS STIPULATED BY THE REGIONAL DEVELOPMENT ACT ART.9 (1) THE CHAIRPERSON OF THE DISTRICT DEVELOPMENT COUNCIL IS THE DISTRICT GOVERNOR, ITS MEMBERS BEING THE MAYORS OF ALL THE MUNICIPALITIES IN THE DISTRICT, TOGETHER WITH ONE OF THE REPRESENTATIVE OF THE MUNICIPAL COUNCIL OF EACH AND EVERY MUNICIPALITY.

IN ACCORDANCE WITH ART.4 (2) THE DISTRICT GOVERNOR (CHAIRPERSON) HAS THE AUTHORITY TO INVITE TO THE COUNCIL'S MEETINGS REPRESENTATIVES OF REGIONAL ASSOCIATIONS OF MUNICIPALITIES AND OTHER PERSONS (PHYSICAL AND LEGAL ENTITIES, CIVIC ASSOCIATIONS AND NGOS ) RELATED TO REGIONAL DEVELOPMENT.

IN COMPLIANCE WITH ART.9, SECTION 4 THE DISTRICT GOVERNOR MAY ASSIGN AGREEMENTS FOR ASSOCIATION WITH OTHER DISTRICTS IN ORDER TO IMPLEMENT ACTIVITIES RELATED TO DISTRICT DEVELOPMENT AND ABOVE DISTRICT SCOPE AND IMPORTANCE.

IN COMPLIANCE WITH ART.9 SECTION 5 PLANNING REGIONS ARE FORMED ON THE BASIS OF AGREEMENTS ACCORDING TO SECTION 4. PLANS FOR THEIR REGIONAL DEVELOPMENT MAY BE ELABORATED AND IMPLEMENTED JOINTLY.

THE FOLLOWING 6(SIX) PLANNING REGIONS CORRESPONDING TO EUROSTAT NUTS II LEVEL ARE FORMED:

### ***NORTH-WEST PLANNING REGION***

1. DISTRICT OF VIDIN
2. DISTRICT OF MONTANA
3. DISTRICT OF VRATZA

### **NORTH-CENTRAL PLANNING REGION**

1. DISTRICT OF ROUSSE
2. DISTRICT OF PLEVEN
3. DISTRICT OF LOVECH
4. DISTRICT OF VELIKO TURNOVO
5. DISTRICT OF GABROVO

### **NORTH-EASTERN PLANNING REGION**

1. DISTRICT OF VARNA
2. DISTRICT OF DOBRICH
3. DISTRICT OF SHOUMEN
4. DISTRICT OF RAZGRAD
5. DISTRICT OF SILISTRA
6. DISTRICT OF TARGOVISHTA

### ***SOUTH WESTERN PLANNING REGION***

1. DISTRICT OF SOFIA GREATER MUNICIPALITY (METROPOLITAN)
2. DISTRICT OF SOFIA
3. DISTRICT OF PERNIK
4. DISTRICT OF KYUSTENDIL
5. DISTRICT OF BLAGOEVGRAD

### ***SOUTH-CENTRAL PLANNING REGION***

1. DISTRICT OF PLOVDIV

2. DISTRICT OF STARA ZAGORA
3. DISTRICT OF PAZARDZHIK
4. DISTRICT OF HASKOVO
5. DISTRICT OF KURDZHALI
6. DISTRICT OF SMOLYAN

#### ***SOUTH-EASTERN PLANNING REGION***

1. DISTRICT OF BOURGAS
2. DISTRICT OF SLIVEN
3. DISTRICT OF YAMBOL

### **DISTRICT DEVELOPMENT COUNCILS MAIN FUNCTIONS**

1. COORDINATION OF ACTIVITIES IN CONNECTION WITH THE ELABORATION AND UP-DATING OF THE DEVELOPMENT PLANS.
2. ADOPTION OF THE DEVELOPMENT PLANS.
3. CONTROLLING OF THE DEVELOPMENT PLAN IMPLEMENTATION.

### **STATUS AND FUNCTIONS OF THE REGIONAL DEPARTMENTS (NUTS II LEVEL UNITS) WITHIN THE STRUCTURE OF THE GENERAL DIRECTORATE “REGIONAL DEVELOPMENT AND ADMINISTRATIVE AND TERRITORIAL STRUCTURE”**

REGIONAL DEVELOPMENT CENTRES WILL BE SET UP IN EACH ONE OF THE SIX PLANNING REGIONS (NUTS II LEVEL) IN COMPLIANCE WITH THE ADOPTED BY COUNCIL OF MINISTERS DECREE NO 220/ 30.11.1999 –“INTERIOR REGULATIONS, ORGANISATION AND STRUCTURE OF THE MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS” AND THE AGREED “STAFF (JOB) LIST” OF THE MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORK WITH THE SAME DECREE. THEY WILL BE LOCATED IN THE FOLLOWING DISTRICT CENTRES:

NORTH-WESTERN PLANNING REGION : THE TOWN OF VIDIN

NORTH-CENTRAL PLANNING REGION: THE TOWN OF VELIKO TURNOVO

NORTH-EASTERN PLANNING REGION: THE TOWN OF VARNA

SOUTH-EASTERN PLANING REGION: THE TOWN OF BOURGAS

SOUTH-WESTERN PLANNING REGION: THE TOWN OF SOFIA

SOUTH-CENTRAL PLANNING REGION: THE TOWN OF PLOVDIV

### **MAIN FUNCTIONS OF THE CENTRES:**

1. COORDINATION OF THE DISTRICT AUTHORITIES ACTIVITIES IN THE ELABORATION OF THE JOINT PLANNING REGION DEVELOPMENT PLAN ( NUTS II LEVEL) AS A CONSISTENT PART OF THE NATIONAL ECONOMIC DEVELOPMENT PLAN.
2. COORDINATION OF ACTIVITIES OF AND INTERACTIVITIES BETWEEN CENTRAL, DISTRICT, LOCAL AUTHORITIES AND OTHERS.
3. CONSULTING AND TRAINING IN ELABORATION OF DEVELOPMENT PLANS (STRATEGIES, DEVELOPMENT PROGRAMMES AND PROJECTS; DEVELOPMENT PLANS IMPLEMENTATION AND UP-DATING; SOCIAL-ECONOMIC DEVELOPMENT PROJECTS AND PROGRAMMES IMPLEMENTATION, FUNDED BY NATIONAL AND EXTERNAL FINANCING SOURCES) .



4. INFORMATION ABOUT THE IMPLEMENTATION OF NATIONAL AND INTERNATIONAL PROGRAMMES AND PROJECTS.
5. MAINTENANCE OF SOCIAL-ECONOMIC DEVELOPMENT DATA BASE ON PLANNING REGION LEVEL (NUTS II).

#### **REGIONAL CENTRES STRUCTURE:**

Head of department – 1 person

EXPERTS – 5 TO 7 PERSONS

THE REGIONAL CENTRES ARE SUBORDINATED DIRECTLY TO THE DIRECTORATE “SOCIAL-ECONOMIC COHESION” WITHIN THE GENERAL DIRECTORATE “REGIONAL DEVELOPMENT AND ADMINISTRATIVE AND TERRITORIAL STRUCTURE” AT THE MINISTRY OF REGIONAL DEVELOPMENT AND PUBLIC WORKS.