



REPUBLIC OF BULGARIA

MINISTRY OF LABOUR AND SOCIAL POLICY

Operational Programme
“Human Resources Development”
2007-2013

(CCI: 2007BG051PO001)

September 2007

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LIST OF ABBREVIATIONS

ACM	Administration of the Council of Ministers
APD	Agency for People with Disabilities
CF	Cohesion Fund
CMD	Council of Ministers Decree
CSGC	Community Strategic Guidelines on Cohesion
CVT	Continuous Vocational Training
DCPD	Day Centre for People with Disabilities
EA	Employment Agency
EC	European Community
ECTS	European Credit Transfer System
EDI	Ethnic and demographic issues
EEC	European Economic Community
EES	European Employment Strategy
EPA	Employment Promotion Act
EQCEC	Education Quality Control and Evaluation Centre
ERDF	European Regional Development Fund
ESF	European Social Fund
EU	European Union
GDP	Gross Domestic Product
GLI	General Labour Inspectorate
GVA	Gross Value Added
HES	Higher Education Schools
HRD OP	Operational Programme “Human Resources Development”
HRDC	Human Resources Development Centre
IB	Intermediate Body
ICE	Information Centre for Education
ICT	Information and Communication Technology
IG	Integrated Guideline
IGGJ	Integrated Guidelines for Growth and Jobs
ILO	International Labour Organization
IRPEA	Implementing Regulations for the Public Education Act
LFS	Labour Force Survey
LOD	“Labour Office” Directorate
MA	Managing Authority
MES	Ministry of Education and Science
MEW	Ministry of Environment and Waters

MF	Ministry of Finance
MIS	Management Information System
MLSP	Ministry of Labour and Social Policy
NAVET	National Agency of Vocational Education and Training
NCCEDI	National Council for Cooperation on Ethnic and Demographic Issues
NACID	National Centre for Information and Documentation
NEAA	National Evaluation and Accreditation Agency
NGO	Non-governmental organisation
NSI	National Institute of Statistics
NRP	National Reform Programme
NSPRD	National Strategic Plan for Rural Development
NSRF	National Strategic Reference Framework
NUTS II	Nomenclature of Territorial Units covering planning regions level
OECD	Organisation for Economic Cooperation and Development
p.p.	Percentage point
PA	Priority axis
RCCEDI	Regional Council for Cooperation on Ethnic and Demographic Issues
RIE	Regional Inspectorate of Education
SAA	Social Assistance Agency
SACP	State Agency for Child Protection
SEN	Special Educational Needs
SFs	Structural Funds
SH	Sheltered Housing
SHW	Safety and Health at Work
SHWC	Safe and Healthy Working Conditions
SI	Specialized Institutions
SMEs	Small and Medium-sized Enterprises
SRIC	Social Rehabilitation and Integration Centres
SVEI	Social Vocational Education Institution
UNCBD	The United Nations Convention on Biological Diversity
UNCCD	The United Nations Convention to Combat Desertification
UNDP	United Nations Development Programme
UNFCCC	UN Framework Convention on Climate Change
VET	Vocational education and training
WC	Working Conditions
WHO	World Health Organisation
CoM	Council of Ministers

INTRODUCTION

“Human Resources Development” Operational Programme is a strategic document which will act as a framework for absorption of funds, co-financed jointly by the European Social Fund of the EU and the national budget during the programming period 2007 – 2013 and will cover the territory of the whole country under the “Convergence” objective.

It is a constituent part of the National Strategic Reference Framework and contributes to one of its main objectives to “*develop human capital in order to ensure higher employment, income and social inclusion*”.

The strategic objective of the HRD OP is ***to improve the quality of life of people in Bulgaria through enhancement of the human capital, achievement of high employment levels, improvement of the productivity, access to high-quality education and lifelong learning and strengthening the social inclusion.***

This means: to invest in people so that they acquire new knowledge and skills, strengthen the practice for lifelong learning aimed at professional realization during the whole active life; to guarantee to all adequate participation in the society and the right to decent work; to achieve higher quality of the labour force; to guarantee access to high-quality education and training for all; to make the social protection more sustainable and “active”; to ensure equal opportunities, to promote development of the social economy sector, and as a result of all purpose-oriented actions – to achieve economic and social cohesion.

In the course of implementation of the HRD OP will be pursued the following specific objectives:

- Increasing the labour supply and the quality of the labour force;
- More intensive investment in the human capital through better and more accessible education;
- More social capital, partnerships and networks and development of the social economy.

In order to attain the set up objectives it is envisaged that the Operational programme will focus on achievement of the following priority axes:

- **Promotion of economic activity and development of inclusive labour market;**
- **Raising the productivity and adaptability of the employed persons;**
- **Improving the quality of education and training in correspondence with the labour market needs for building a knowledge-based economy;**
- **Improving the access to education and training;**
- **Social inclusion and promotion of social economy;**
- **Improving the effectiveness of labour market institutions and of social and healthcare services;**
- **Transnational and interregional cooperation.**

The set up priority axes correspond to the activity areas that can be supported by ESF under the provisions of Article 3 of Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund. The strategy of HRD OP is based upon the goals set by the EU for the programming period 2007-2013 in the Community Strategic Guidelines for Cohesion. Other key strategic documents and concepts of the EU, as well as the priorities of the national policies and the National Reform Programme that are in a process of implementation have been taken into account when developing the Operational programme.

The implementation of the Operational Programme will contribute to the achievement of the main horizontal principles of the ESF support for the 2007-2013 period, and of the leading principles of the Community Strategic Guidelines for Cohesion and of the Community Initiative EQUAL – gender equality and non-discrimination based on gender, race, ethnic origin, religion or beliefs, disabilities, age or sexual orientation; innovations, mainstreaming, partnership, transnational and interregional cooperation, sound programme and project management.

With a view to achieving the comprehensive long-term objective of EU for sustainable development, set out in the Treaty for establishing EU and the Strategy for sustainable development of EU adopted by the European Council in Goetheborg in June 2001 and its late revision in June 2006 as well as the Community Strategic Guidelines for Cohesion (2007-2013) the principle of sustainable development is integrated in HRD OP.

In addition with a view to achieving better efficiency and effectiveness of the Operational programme, ensuring transparency and compliance with the legislation in force during the implementation of the Operational programme the principle of sound programme and project management will be respected.

HRD OP was developed in observance with the principle for wide representation and partnership of all parties concerned. The contribution of the social partners, academic circles and the non-government sector was exclusively useful and valuable in view of the necessity for achieving mutual understanding on all elements, typical for the dynamic development of the processes focused on investing in the human capital and achieving a knowledge-based society.

HRD OP was developed by a Working group, specially established with an Order issued by the Minister of Labour and Social Policy, which includes representatives of the following institutions and organizations:

- Ministry of Labour and Social Policy
- Ministry of Finance
- Ministry of Economy and Energy
- Ministry of Regional Development and Public Works
- Ministry of Education and Science
- Ministry of Transport
- Ministry of Health
- Ministry of Agriculture and Forestry
- Ministry of Environment and Waters
- Ministry of State Policy for Disasters and Accidents
- Administration of the Council of Ministers - “Ethnic and Demographic Issues” Directorate
- National Council for Cooperation on Ethnic and Demographic Issues
- Ministry of Culture
- Ministry of State Administration and Administrative Reform
- Agency for Economic Analysis and Forecasts
- Employment Agency
- National Agency for Vocational Education and Training
- Social Assistance Agency
- State Agency for Child Protection
- State Agency for Youth and Sports
- National Social Security Institute
- National Statistical Institute
- National Association of Municipalities in the Republic of Bulgaria
- Bulgarian Industrial Association
- Bulgarian Chamber of Industry and Commerce
- Union of Private Bulgarian Entrepreneurs “VAZRAZDANE”
- Employers Association of Bulgaria

- Confederation of Independent Trade Unions in Bulgaria
- Confederation of Labour “Podkrepa”
- Promyana Trade Union
- Bulgarian Industrial Capital Association
- Economic and Social Council
- Union for Private Economic Enterprise
- Council of University’s Rectors in Bulgaria
- Bulgarian Academy of Sciences
- National Council for Integration of People with Disabilities
- Agency for People with Disabilities
- State Agency for Information Technology and Communications
- Administration of the Council of Ministers, “Strategic planning and management” Directorate
- “Fishery and Aquaculture” Executive Agency with the Ministry of Agriculture and Forestry

In view of taking into account the specific problems in the field of human resources development at regional level, the first draft of HRD OP priority axes and activities was discussed with all district administrations in the country.

In the period 10-28 July 2006, six public discussions on HRD OP were held in the planning regions with centres Plovdiv, Vidin, Ruse, Varna, Sofia and Burgas and two public discussions focused particularly on specific issues concerning inclusion of Roma and on social inclusion. In accordance with the principle of wide representation and partnership, over 550 representatives of organisations and institutions concerned from the regions took part in the discussions. Representatives of municipal and district administrations, non-governmental organisations, vocational training centres, schools, universities, private companies, community centres, regional structures of the Ministry of Education and Science, Social Assistance Agency and Employment Agency, respectively, etc. attended the discussions.

During the implementation of the Operational programme, the partnership principle together with the other horizontal principles will be observed in the framework of all priority axes and all levels of intervention.

1. SOCIO-ECONOMIC ANALYSIS OF THE CURRENT SITUATION IN THE FIELD OF HUMAN RESOURCES

1.1. MACROECONOMIC CONDITIONS

Over the past few years Bulgaria has achieved considerable progress towards lasting stability and sustainable growth. The dynamic development of Bulgarian economy continues – in 2006 the **real GDP growth** rate was 6.1%. More than 68% of GDP was produced by the private sector. The **service** sector also recorded a significant growth by 8.1% on annual basis in 2006. The service sector's growth rate is determined mainly by the expansion of the trade sector and to a lesser extent by the development of the financial intermediation sector. **Industry** has further accelerated its growth rate which in 2006 reached 13.5% on annual basis (compared to 13.0% in 2005). Drivers of the high industry growth are both the increase of international prices of goods with significant share in the country's export, and the intensive development of construction which is a precondition for the good results for the sectors associated with it. In 2006 the variation of added value in the **agriculture and forestry** sector has been negative (- 0.8%). This is due mainly to an increase in the level of expenditures, not to a decline in overall production.

In 2006 the **labour productivity**¹ has accelerated its growth to 4.7% compared to the previous year. At the same time, labour productivity measured by purchase power parity is approximately 33% or nearly three times lower compared to the average for the countries in EU-25.

In 2006 average nominal wage marked an increase by almost 9.5% compared to 2005. The wages in the **private and public** sector displayed high nominal growth, respectively of 9.4% and 9.9%, and relatively high real growth: respectively of 2% and 2.5%.

Despite the fact that income from employment in the country has increased in the last few years, the share of compensations for the employed in GDP marks a decline from 38.8% in 1998 to 32.2% in 2006. This share is still much lower than the value of this indicator in the EU-25 Member States, which fluctuates around 51% in the last years.

Main macroeconomic indicators	Years			
	2003	2004	2005	2006
	%			
Real GDP growth on annual basis	5.0	6.6	6.2	6.1
Agriculture and forestry	-0.2	3.4	-4.4	-0.6
Industry	11.6	13.5	13.0	13.5
Services	6.8	9.3	10.0	8.1
Inflation by the year end	5.6	4.0	6.5	6.5
Average annual inflation	2.3	6.2	5.0	7.3
Average real wages (growth)	3.7	0.8	4.0	2.1
Labour productivity growth*	-2.0	3.5	3.5	

*The labour productivity is calculated as ratio of the GVA at fixed prices to the average annual number of employed

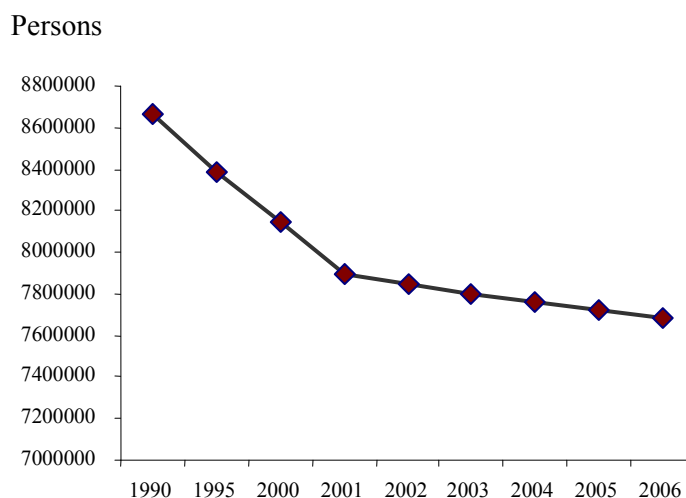
¹ Calculated with the data for the GVA and the number of employed from the National Accounts.

1.2. DEMOGRAPHIC TENDENCIES

For the last years a steady trend has been observed of a decrease in the country's population number. The impact that social and economic factors exerted on living conditions resulted in considerable changes in the demographic behaviour of the population which led to negative natural growth.

The country's labour supply is predetermined significantly by the population number and age profile. According to NSI data, by the end of 2006 the calculated permanent population of Bulgaria accounted for 7 679 290 people, indicating a drop by approx. 1 million for the past 16 years. According to Eurostat forecasts, by 2020 the country's population is estimated to become 6 796 052 people, or within the next 14 years the population number is estimated to drop by some extra 0.8 million.

Population as of 31.12. – by years



Source: NSI

The population **in working age** by the end of 2006 accounted for 4 820 thousand people, or 62.8% of the entire population. Compared to the previous year, this category of population has grown by approx. 6 thousand people. The increase, compared to previous years, is smaller because the retirement age for men is 63 years and is not increasing every year by 6 months, as is the case for women.

The population **above working age** in 2006 was 1 740 thousand people. For one year it has decreased by 22 thousand people. This is not just due to the natural dynamics in the population figures (mortality rates), but also to the exclusion of part of the population from this category because of the change in the retirement age limit and the transfer of this part to the working-age population category.

A lasting downward tendency outlines for the population **below working age**. Compared to 2005, this number has come down by 23 thousand people and by the end of 2006 this population category accounted for 1 120 thousand people.

Contemporary demographic trends in Bulgaria require additional concentration of efforts in implementing the objectives of the Lisbon Strategy for economic growth and more jobs. The ageing of the population will lead to a tangible reduction of workforce after 2010, which generates the need of increased investment in human capital with the objective to preserve and raise the level of productivity, growth and sustainable development of the European social and economic model.

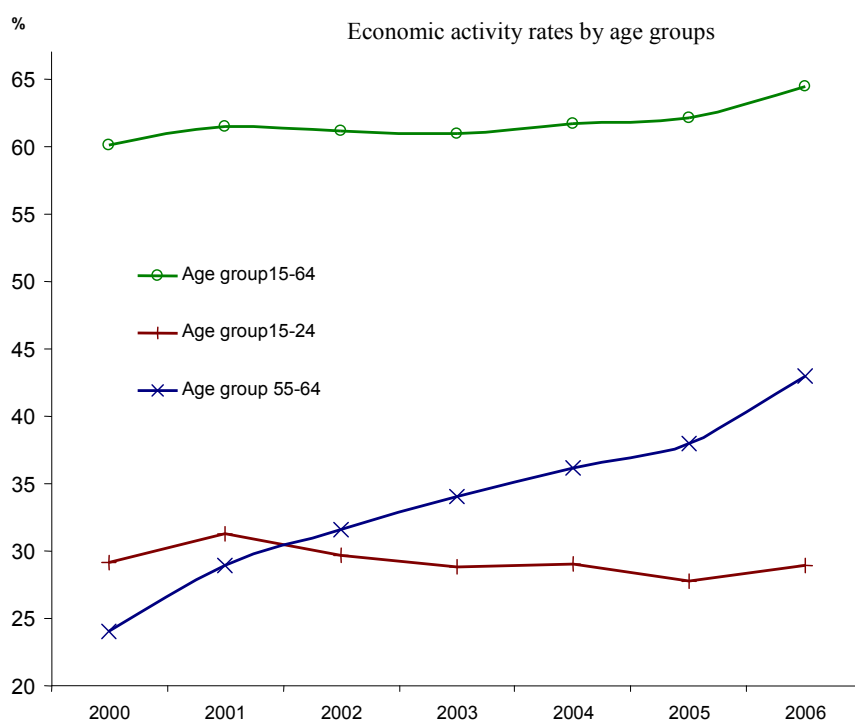
The observed downward trends for the population number in the last years determine the need for continuing the implementation of the policy aimed at increasing the population's economic activity. Increased economic activity will supply the labour force needed for development of the economy (see Annex 1).

1.3. LABOUR MARKET

Economic activity

The **economic activity rate** for the population aged between 15 and 64 years has increased from 60.7% in 2000 up to 64.5% in 2006. Regardless of the observed growth in the activity rate, there are 35.5% (1861.5 thousand) of the population aged 15-64, which remain out of the labour force. About 20% of these persons are willing to work, but do not seek jobs for various reasons, including: personal and family obligations, illness or disability, lack of appropriate education, qualification, skills or labour experience, etc.

The activity rates for **young people** (aged 15-24) is 28.9% and for **older-aged employed** (aged 55-64) – 43%. An alarming tendency on the Bulgarian labour market is the downward tendency for the economic activity of youth. Since 2001, the core of economically active population tends to be in the groups of the middle- and late middle-aged (between 35 and 54 years). The steady trend towards ageing of the labour force clearly calls for lifelong learning measures to develop the intellectual potential and professional competence of the labour force.



In terms of **educational** level of the workforce, in 2006, the share of well educated persons is relatively high (secondary education – 57.4%, higher education – 24.2%). The share of persons with basic, primary and lower education in the labour force is 18.5%. Economic activity correlates strongly with educational levels. In 2006 73.3% of those with higher education, 66.2% of those with secondary education, 27.8% with basic education and 13.2% with primary or lower than primary education have been economically active.

Although in the recent years a reduction in the number of **discouraged persons** from 419.5 thousand in 2000 down to 267.2 thousand in 2006 has been observed, their share in the number of people out of the labour force remains relatively high. It is necessary to formulate appropriate measures for integration of discouraged persons to labour market.

Indicator	Bulgaria			EU (25)		
	2000	2005	Variation	2000	2005	Variation
	%		p.p.	%		p.p.
Aggregate economic activity rate (age group 15-64)	60.7	62.1	1.4	68.7	70.2	1.5
Economic activity rate for youth (age group 15-24)	30.5	27.9	-2.6	46.5	45.2	-1.3
Economic activity rate for employed (age group 25-54)	80.6	80.2	-0.4	82.6	83.9	1.3
Economic activity rate for older-aged employed (age group 55-64)	24.0	38.0	14.0	39.5	45.5	6.0

Source: Eurostat

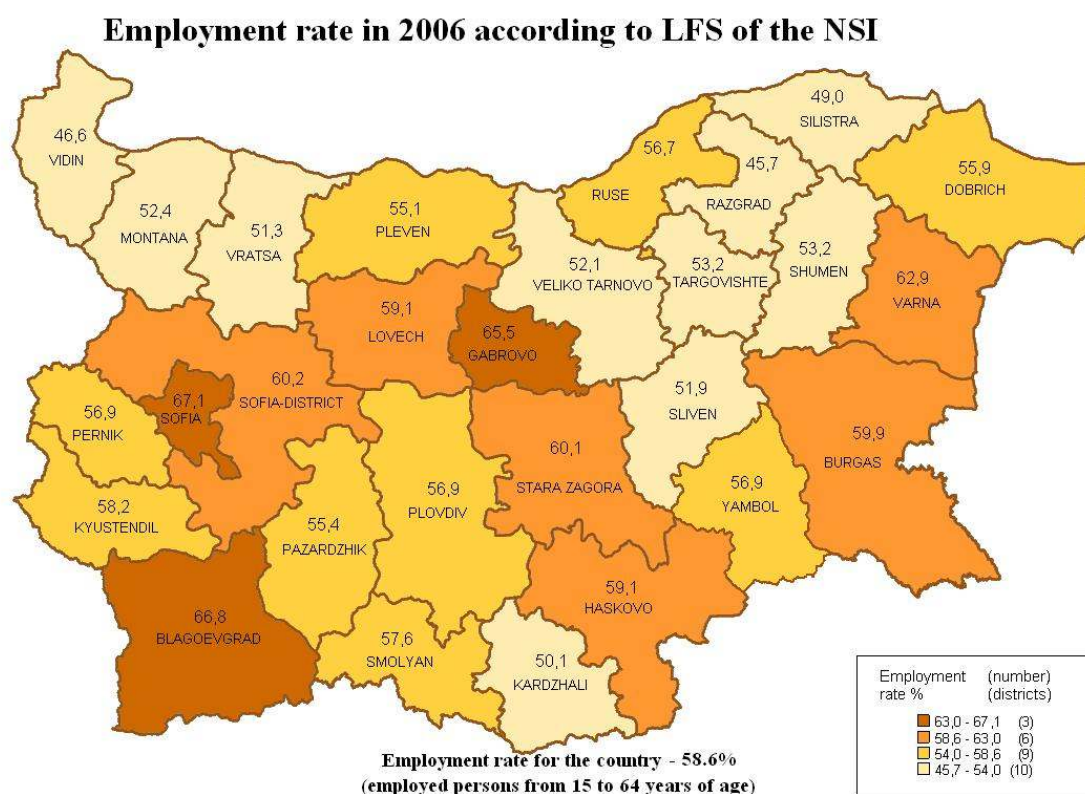
Employment

In the last 3-4 years a sustainable trend of growth in the number of **employed persons** in the country is observed. In 2006, the average number of employed aged 15-64 (3 071.8 thousand) has increased with 11% compared to that in 2000.

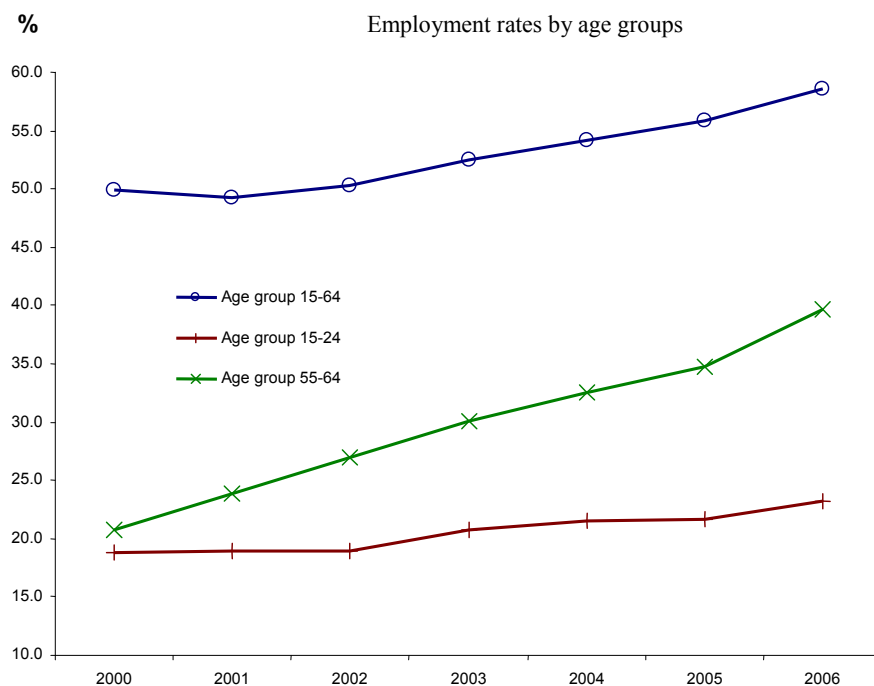
In 2006 the **employment rate** was 58.6%, which was with 8.7 percentage points more compared to that in 2000. There is stability in the trend shown in the past few years of smooth increase of the employment rate but, nevertheless, it is much lower compared to the one in the EU-27 – 64.3% for 2006.

The regions with the lowest employment rate in the country are as follows:

Map 1 – Employment rate in 2006



In 2006 employment rate among **young people** (aged 15-24) was 23.2% and, in spite of the sustained positive trend from the past few years, the growth in youth employment, compared to 2000, is just 4.4 percentage points. Major increase is observed in the employment among **older population** (aged 55-64). During the reported period employment rate has increased by 18.8 percentage points from 20.8% in 2000 to 39.6% in 2006.



Indicator	Bulgaria			EU (25)		
	2000	2005	Variation	2000	2005	Variation
	%		p.p.	%		p.p.
Employment rate (age group 15-64)	50.4	55.8	5.4	62.4	63.8	1.4
Employment rate for women	46.3	51.7	5.4	53.6	56.3	2.7
Employment rate for youth (age group 15-24)	19.7	21.6	1.9	38.1	36.8	-1.3
Employment rate for older employed (age group 55-64)	20.8	34.7	13.9	36.6	42.5	5.9

Source: Eurostat

The profile of employed by **education status** displays the largest share of employed with secondary education – 58.2%, followed by employed with higher education – 25.5%. The share of employed with basic, primary and lower than primary education – 16.3% is the lowest. Employment rates correlate strongly with the educational levels. In 2006, the employment rates for persons with higher education have been 70.4%, with secondary education – 61.1%, with basic education – 23% and with primary or lower than primary education – 8.6%. One may notice that the employment level among those with secondary education and acquired vocational qualification (67.4%) is much higher than for those with secondary general education (49.9%).

The structure of employed by **economic sectors** has remained relatively stable for the last years. In 2006 most of the labour force (1 785.7 thousand) was employed in the **service** sector which displays a relative share of 57.4% of the total number of employed people in the country. The **service** sector is followed by the **industry** sector – 1072.1 employed with a relative share of 34.5% and the **agriculture, forestry and fisheries** sector – 252.2 thousand people with a relative share of 8.1%.

Declining trend for the number of employed in agriculture at the expense of the employed in industry and service sectors was observed in the past few years.

Employed by economic sectors

Years	Agriculture, forestry and fisheries	Industry	Services	Total
	(thousands)			
2003	285.9	929.6	1616.9	2834.0
2004	282.1	968.4	1670.0	2922.2
2005	265.4	1020.2	1692.4	2980.0
2006	252.2	1072.1	1785.7	3110.0

Source: NSI

With regard to the employment by **economic activities**, the highest number of people are employed in processing industry – 745.1 thousand², and the lowest number in mining and quarrying – 38.2 thousand. As a result of economic growth and the excitement observed in a number of sectors, for the period 2001-2006 the highest employment growth rate has been reported for the construction sector – 79%, followed by real estate and business activities – 35%. Negative growth in the number of employed can be observed in mining and extraction industry – by 8%, and in agriculture, forestry and fisheries – by 1% (see Annex 2).

Regardless of the steady employment growth, in the past years was observed a negative downward tendency in the number of self-employed in Bulgaria. According to NSI data, in 2005 the self-employed were 257.5 thousand or by 5.2% less compared to 2003. For the period in question just 8.6% of all employed were self-employed, while in EU-25 this indicator was 15.6% in 2005. There are many areas where entrepreneurship activity may be increased and new jobs be created, particularly in the services sector. According to studies³ undertaken in this field, some 5% (more than 25 thousand) of the registered unemployed are prone to start up their own business, with 66% of them intending to create new jobs. Among the most preferred business areas in the field of services are: merchandise, repair operations, transport, business services and information technologies.

The **part-time employment** and **fixed-term employment** are among the indicators that represent the labour market **flexibility**. The share of persons employed on part-time basis in the total number of employed in Bulgaria is too small – 2% compared to the European Union average (EU-27) – 18.1%. The share of persons employed under fixed-term contracts in Bulgaria is 6.2%, while in the EU-27 this share is 14.4%.

The small share of part-time workers is due to the low hourly pay, commuting fares, social security payment for such type of work, etc. In addition, the shortage of traditions in using flexible forms of employment and the scarce information about the opportunities available to employees and workers have an extremely unfavourable impact.

The Bulgarian labour legislation provides for various mechanisms ensuring relative flexibility on the labour market. Employers can use an array of possibilities to adapt the workforce to the changing environment. The legal framework vis-a-vis employees is based on the principle of equality of rights and obligations, both for those who are steadily employed as well as for people employed pursuant to fixed-term contracts of employment, to contracts for additional or extra work, part-time work or

² Source: NSI (Labour Force Survey). Data are on average annual basis for 2006.

³ Source: Sociological survey “Needs and attitudes of unemployed towards self-employment”, February 2005.

other flexible forms of employment. In compliance with the Employment Promotion Act, concrete measures are put in place to encourage employment and assist the development of the flexible labour market and the adaptability of the workforce. There are incentives providing support to employers who maintain a real number of employees or enroll them in training activities in the event of reducing the number of staff, lay-offs or cutting of jobs. For its part, the Employment Agency implements various forms promoting flexible employment, territorial mobility, part-time employment, better qualification of employees through training, etc.

To improve the flexibility of the labour market and increase the share of flexible forms of employment, amendments to labour legislation were made in May 2006 pertaining to work under an employment contract for extra work. From 40 hours a week, the maximum duration of the work week for a person working under employment contracts for more than one employer, was increased to 48 hours. In the case of explicit agreement of employees, these can also work more than 48 hours a week for a period not exceeding four months. To boost the flexibility of labour organization at enterprises, the time an employer may decree for summarized calculation of work hours was increased from four to six months. As a measure against labour market fragmentation, amendments to labour legislation equalized the status of those employed under a fixed-term and permanent employment contract at the execution of similar work.

The flexibility of the labour market in the meaning of the Lisbon Strategy, aimed at growth and employment by reforming the labour market to achieve flexibility, efficiency and balance, calls for stronger and fuller involvement on the labour market of the risk groups (e.g. single parents, youths, people over 50 years of age), as well as improves the conditions of the family environment and the overall life cycle.

Irrespective of the positive developments in the area of legislation, the past few years have witnessed little interest in and implementation of the opportunities provided by the Employment Promotion Act in the part flexibility of labour. This is the reason for the not so high amount of resources generated annually for the opportunities for flexible employment listed above.

Unemployment

According to NSI in 2006 there were 305.7 thousand **unemployed** and the unemployment rate was 9%. Over the same period, according to the Employment Agency data, there were 337 796 **registered unemployed** at registered unemployment rate of 9.12%. Despite the significant decrease, unemployment rate in Bulgaria remains higher than the EU average, which has been reported equal to 8.8% in 2005.

Unemployment rates have been going down for all monitored age groups but the situation of some groups on the labour market remains disturbing. A rather unfavourable feature of the labour market is the high unemployment rate for **youth** aged 15-24. In 2006 it was 19.5%, but despite the significant decrease compared to 2000 (33.7%), its value still remains higher than the EU-27 average for 2005 – 18.7%.

In 2006 the profile of unemployed by **educational** levels displays the largest share of persons with secondary education – 49.6%, followed by the share of those with basic education – 31.2%. The share of those with higher education – 10.7% and those with primary and lower than primary education– 8.8% is the lowest. Unemployment correlates strongly with the educational level. In 2006 the unemployment rates for those with primary and lower than primary education was 34.9%, with basic education – 17.3%, with secondary education – 7.7%. The unemployment rates among university graduates – 4% were the lowest.

There is sustainable trend on Bulgarian labour market – **long-term unemployment**. In 2006 the long-term unemployed persons account for 5% of the labour force, where their number has decreased more than twice compared to 2001. In 2006 the persons unemployed for more than 2 years

were 3.6% of the labour force, while in 2001 this figure has been 8.3%. The average long-term unemployment rate in the EU for 2005 has been 3.9%.

Indicator	Bulgaria			EU (25)		
	2000	2005	Variation	2000	2005	Variation
	%		p.p.	%		p.p.
Unemployment rate (age group 15+)	16.4	10.1	-6.3	8.6	8.8	0.2
Unemployment rate for youth (age group 15-24)	33.7	22.4	-11.3	17.4	18.6	1.2
Long-term unemployment rate (age group 15+)	9.4	6.0	-3.4	3.9	3.9	-
Long-term (more than 2 years) unemployment rate (age group 15+)	6.4	4.3	-2.1	2.3	2.3	-

Source: Eurostat

Vulnerable groups on the labour market

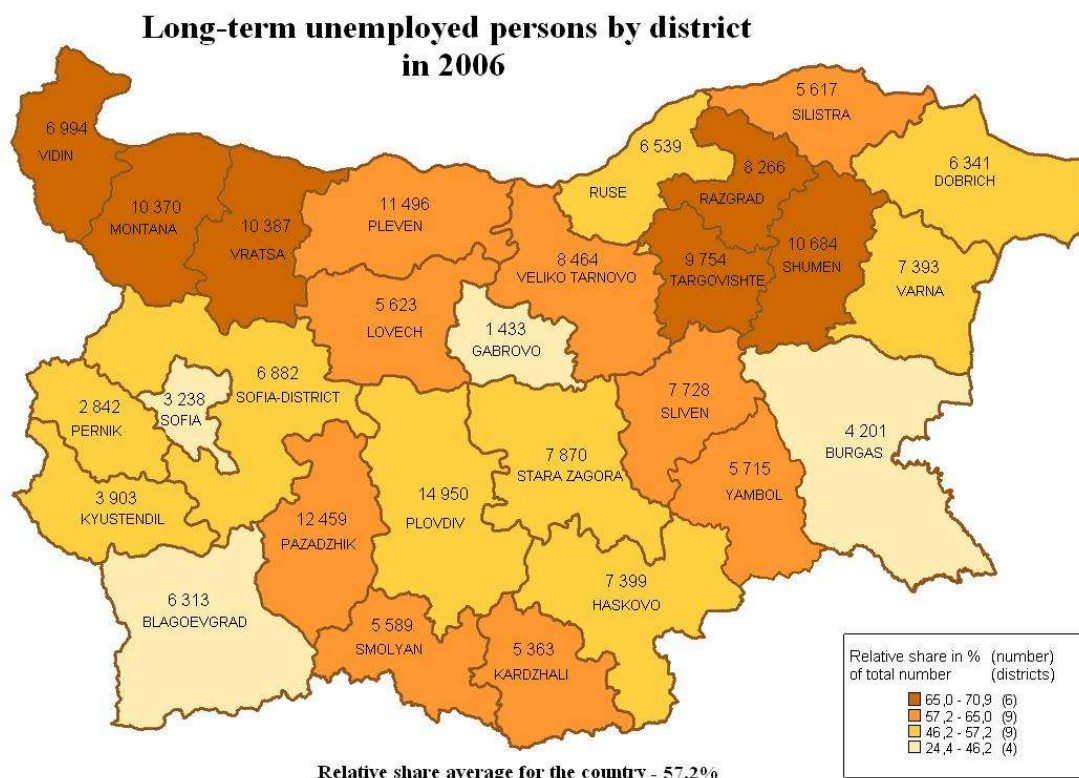
According to data of the Employment Agency, in 2006 the downward trend in the number of registered unemployed from all vulnerable groups on the labour market was maintained, with exception of the unemployed persons with disabilities. The most vulnerable groups on the labour market are: long-term unemployed persons, young people up to the age of 29 without any working experience or without education and without profession, unemployed persons with low educational level and without qualification, people with disabilities and unemployed - aged over 50.

Long-term unemployed⁴. Since 2003 one may observe a lasting downward tendency for the numbers of long-term unemployed persons. Nevertheless, they still account for more than half of all unemployed and this negative trend continues to aggravate. Among the long-term unemployed 71.7% are with basic and lower level of education, and 73.6% are without any qualification and specialty.

⁴ Persons whose registration at the "Labour Office" Directorates has been regularly maintained in the course of more than one year.

The regions with the highest percentage of long-term unemployed in the country are as follows:

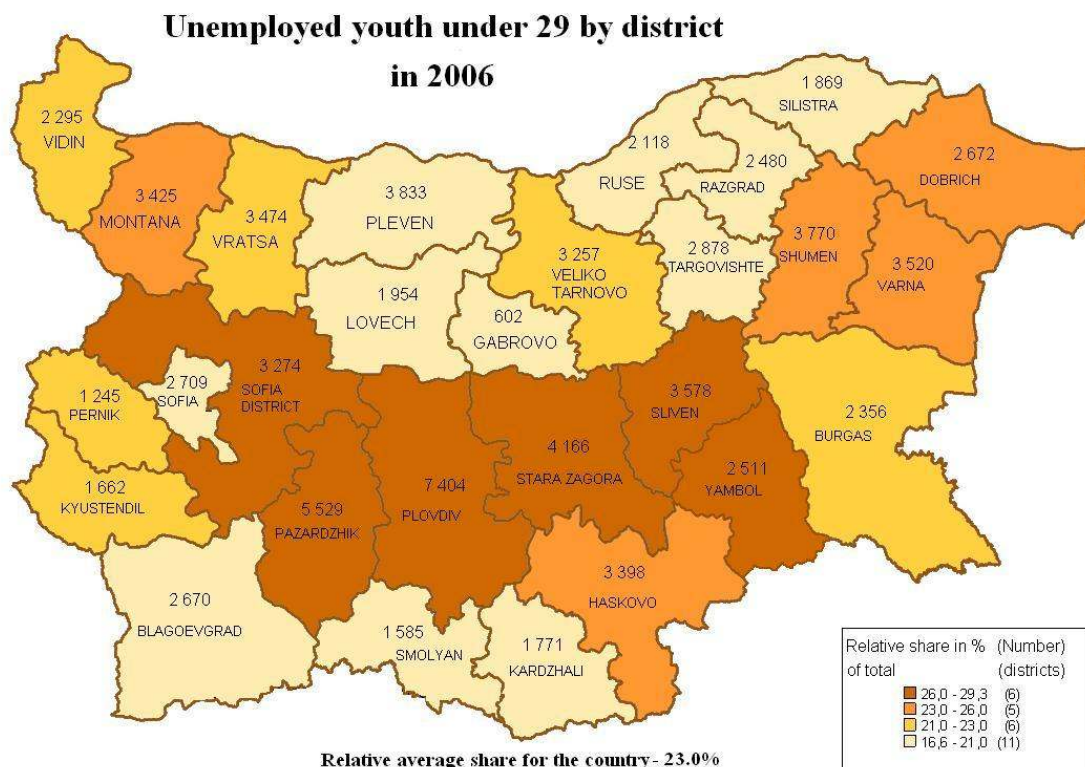
Map 2 – Long-term unemployed (over 1 year)



Unemployed youth. The downward tendency for the unemployed young people below the age of 29 has been observed for nearly four consecutive years now. The relatively high duration of unemployment among young people (46.7%) and the unfavourable educational and qualification profile have negative effect on their employment. Among the unemployed young people under the age of 29 years 67.6% are with basic and lower level of education, and 76.0% are without any qualification and specialty.

The regions with the highest percentage of unemployed youth under the age of 29 in the country are as follows:

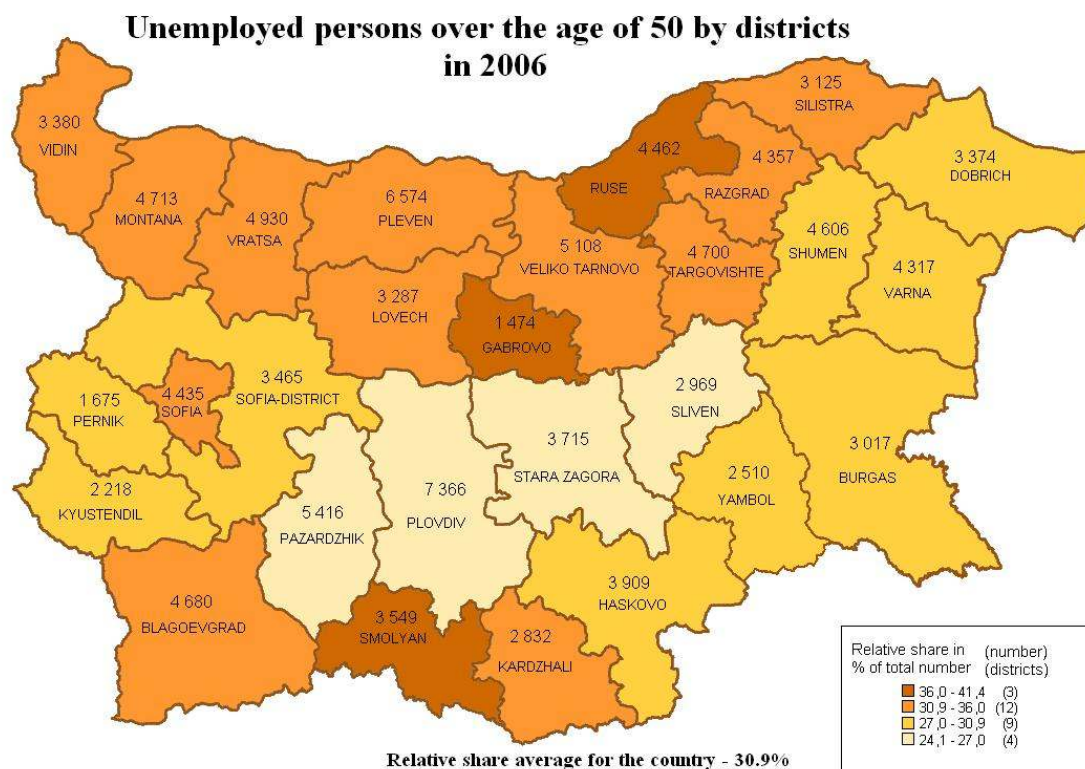
Map 3 – Unemployed youth under the age of 29



Unemployed persons above the age of 50. The number of unemployed above the age of 50 continues to decrease, while their share increases and reaches 30.6% as a result of the lower rates of decrease in the number of unemployed for this group compared to the rates of decrease in the total number of registered unemployed. Unemployment among people aged over 50 has long-term characteristics and unfavourable educational and qualification profile. Majority of the unemployed aged over 50 are long-term unemployed (62.8%), with basic and lower level of education (62.5%) and without any qualification and specialty (63.3%).

The regions with the highest percentage of unemployed persons aged over 50 in the country are as follows:

Map 4 – Unemployed persons aged over 50



Unemployed people with disabilities. The upward tendency for the registered unemployed people with disabilities has been observed for nearly nine consecutive years now. Their share into the overall aggregate of unemployed grew by 1.1 percentage points compared to the first nine months of 2005 and reached 5.9% for the same period of 2006. Prerequisite for this tendency is the increase of the registered unemployed people with disabilities who are with limited possibilities to be hired on non-subsidized jobs and, hence, they utilise actively the services provided by the Employment Agency.

Unemployed persons with low level of education and without specialty or vocation. In spite of the observed reduction in the number of unemployed with low level of education and without specialty and qualification, their share into the overall aggregate of unemployed continues to grow, respectively up to 60.6% and 64.7%. The direct link between advancement in employment and the level of education and qualification are the reasons for the increasing share of unemployed with low level of education and without specialty and qualification.

Indicator	2000	2005	Variation
	%		p-p.
Unemployment rate for persons with primary and lower education	37.9	32.6	-5.3
Unemployment rate for persons with basic education	25.9	16.9	-9
Unemployment rate for persons with disabilities	-	13.5	-
Unemployment rate for older aged persons (over 55)	12.5	8.0	-4.5

Source: NSI

Regional aspects of labour market development

For the past years the labour market has been characterised by significant and steady regional disparities. There is a clear-cut territorial differentiation as to the size and composition of labour force supply and demand. Regional disparities can be seen in the indicator values of all aspects of labour market's functioning and development – employment, unemployment, remuneration, labour productivity, educational-vocational and demographic labour force structure.

According to NSI⁵ data for 2006, the lowest is **the activity rate** in the North-West planning region – 42.2%, by 9.1 percentage points lower as compared to the country average. Highest economic activity has been registered in the South-West planning region (56.3%) – by 5 percentage points higher as compared to the country total.

Employment trends are positive in all planning regions. The North-West region displays the lowest employment rates – 37.1%, and the employment rates are the highest in the South-West region – 52.7%.

According to the NSI, **unemployment rate** has gone down in all planning regions, with the greatest reduction in South-East region by 6.6 percentage points within the last three years. Among all planning regions the North-East region has the highest unemployment rate – 12.5% (which is by 3.5 percentage points higher than the country average).

The following trend is observed in respect of the **convergence**⁶ of the labour market indicators for the planning regions. For the period 2003-2006 economic activity and employment indicators show a growing dispersion level. The indicator for economic activity has increased from 3.8 in 2003 to 4.7 in 2006, respectively the indicator for employment – from 3.9 to 5. The unemployment trend is positive. The standard deviation here has dropped from 3.3 in 2003 down to 2.4 in 2006.

Corporate investment in human resources

Corporate investments in human resources are among the critical components of investment in human capital both for the society and the national economy. In Bulgaria, investment in human resources at enterprise level is not yet a common practice and the level of this type of investment is rather low. Costs of the enterprises for continuous vocational training (CVT) amount to only 0.4% of labour costs. About 11% of the total number of employed have participated in CVT courses, only 1 out of every 23 persons employed in the micro enterprises has been involved in a CVT course; 5.2% have had special budget allocations for training, and for micro enterprises this figure was just 2.3%. Generally, over 2/3 of all enterprises have not organised any form of vocational training for their staff.

Bulgarian enterprises rarely invest in management activities and/or invest in human resources. For example, training syllabi and/or curricula can be found in 8.8% of all enterprises, and the other over 90% see no need for such. A large part of employers in the private sector (43.8%) consider vocational training to be workers' responsibility. Only 38% of all enterprises that have undertaken training activities have ever implemented formal procedures to estimate training effect. About ¼ of all enterprises have undertaken to evaluate employees' qualification and skills. Only 29.2% of enterprises have identified the need for their staff to learn new skills or develop others (over the past 3 years).

Working conditions

Working conditions affect directly the general performance of enterprises in the real economy. A considerable part of Bulgarian companies are facing the real risk of closure or cut-backs following

⁵ All data about the development of the labour market in regional aspect refer to people of 15 or more years of age.

⁶ The standard deviation has been applied to measure the degree of convergence.

EU accession as a result of competitive pressure or incompliance with the legal requirements for safety and health at work. Since 2003, there has been a general improvement of the national legislation in the area of safety and health at work. The General Labour Inspectorate has reported increased compliance with the legal requirements in the area of safety and health at work – 12%. While in 2003 the share of enterprises complying with the legal requirements was 53 – 55%, in 2005 their share rose to 77 – 79% of all enterprises across the country, employing about 81% of the total number of registered employed. Therefore, there has been a steady downward trend in the number of work accidents nationally – from 5941 in 2001 to 4167 in 2005.

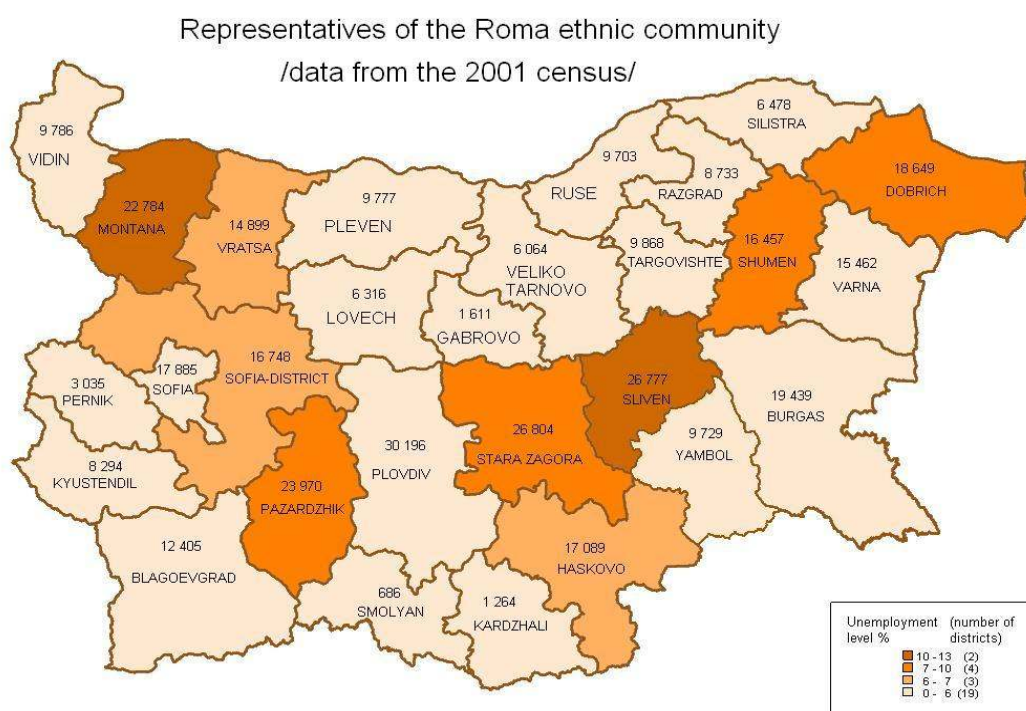
Enterprises struggle mostly as a result of outdated production processes and technologies due to insufficient resources, inadequate research and development activities and sectoral fragmentation, where these lead to deterioration of working conditions and vulnerability to competition attacks by the single European market. Companies have to address issues like: poor management practices due to inadequate management knowledge and skills, limited access to such modern management practices and knowledge, lack of internal control systems and risk assessment at the workplace, etc.

Last but not least, there are the standing issues of ineffective state control resulting from the ineffective monitoring and risk assessment systems, inadequately skilled controlling authorities, insufficient resources (human, technological, mobility, etc.).

Minority equality

According to the 2001 population census, ethnic groups comprise 15.6% of the country population, with prevailing Turkish (9.5%) and Roma ethnic groups (4.6%). Bulgarian legal framework excludes all types of discrimination in the process of employment, payment and professional career based on ethnicity, religion, age, etc. (Labour Code, Law on Protection against Discrimination). According to the 2002-2003 UNDP *Early Warning Report*, in Bulgaria there is interethnic balance and there are no extreme forms of intolerance, as well as no risk or fear of extremist or racial action. The regions with the highest percentage of unemployed persons from the Roma ethnic community in the country are as follows:

Map 5 – Representatives of the Roma ethnic community (according to 2001 Census data)



The Roma have the lowest employment coefficient – 28.6%, and the highest unemployment rate – about 70%, according to 2003 World Bank data⁷, compared to 12.3% for the Turkish ethnic group. 2.0% of the Turkish ethnic group have college or higher education, and 0.9% of the Roma, compared to 20.2% for Bulgarians. 24.6% of the Turks have secondary education, 7.8% of the Roma (54% of Bulgarians). In ethnic minority groups, people with basic education – 55% of the Turks and 36.7% of the Roma prevail, compared to 22.6% of Bulgarians. 16% of the Turks and 36.7% of the Roma have primary education, and 2.3% of Turks and 8.5% of the Roma are illiterate.⁸ It follows from here that the main reasons for the status of persons from ethnic minority groups on the labour market include: illiteracy, low level of education, low or lacking qualification. It is precisely they that constitute a considerable portion of the above-mentioned vulnerable groups on the labour market.

The JOBS (2003) programme for employment and integration of Roma in the labour market in 10 municipalities shows that 45% of interviewed Roma have not worked at all, and 16.2% have had first experience in work activities via the temporary employment programmes. The situation is worst for the young people up to 30 years of age, who have no work habits – over 80% of them have never worked. A large number of Roma are long-term unemployed. This is one of the main reasons why 65-70% of the Roma family live below the poverty threshold.

Gender equality

The data for the **economic activity** segregated by sex show a trend, different to that in the EU. In the period 2001-2006, a gradual increase in the difference between the values of this indicator for the two sexes is observed, while in the EU the reverse trend is observed. Traditionally, the share of men in the **labour force** and their economic activity are higher. In 2006 the share of men in the labour force is 52.8%, and of women – 47.2%. However, the difference between the activity rate of men and women is about 8.5 percentage points, in 2006 the economic activity rate for men is 68.8% and for women - 60.2%. The **employment** rate of men in 2006 is 62.8%, which is significantly below the average value for the EU-25. Following a very sudden drop in the employment rate of women, mainly in the beginning of the transitional period, this negative trend has been reversed and in 2006 this rate is 54.6%.

In the last few years, **unemployment among women** has been lower than that among men. This trend changed in 2006 as within one year unemployment among men dropped from 10.3% to 8.6%, and among women - from 9.8% to 9.3%. In the EU countries the unemployment rate of women is 8.8%, and of men – 7.1%.

Future development

The average annual growth of the employment rate in Bulgaria, which has been about 3% since 2000, has helped reduce unemployment, but its reduction is also affected by lower workforce participation, emigration and interventions on the labour market. Some of the main problems of the labour market in Bulgaria which could be identified on the basis of the above analysis include existence of vulnerable groups on the labour market which require the implementation of a consistent and comprehensive active policy for their integration on the labour market, as well as of specific measures aimed at activating the persons out of the workforce.

The current Operational programme will assist the enhancing of employment and labour productivity. The agenda, not only of Bulgaria, but of EU as a whole as seen in the Lisbon Strategy, will step up on economic growth via achieving higher employment and productivity. Besides, the Lisbon Strategy has identified as its objective by 2010 to increase the level of work participation to 70%, which implies increased labour market participation and lower unemployment rate. The challenge before our country, and particularly before this Operational programme, is great as, along

⁷ World Bank, Poverty Assessment Update, 2003

⁸ UNDP. Human Development Report. Bulgaria, 1997, p. 53.

with the demographic decline and the fact that in comparison with EU-25 the country lags significantly behind in income and productivity levels, it also has to cope with poor labour market parameters, like activity rate of 64.5% and employment rate of 58.6%.

The convergence Bulgaria is striving at requires increased labour productivity and participation of the population in the Bulgarian labour market. On the whole, labour productivity, measured by the value added per employed person, has been unable to catch up with employment growth with only few exceptions over the years. Evaluations show that in order to double the per-capita income in the course of 20 years so that it reaches the level of two thirds of EU-25, GDP per employed person will have to grow by at least 5.5% every year. The trend towards reducing the number of working-age population implies that, only to balance the impact of reduced labour-force numbers on the per-capita income, labour productivity will have to increase by about 1 percentage point annually. Unfortunately, productivity growth is still unstable – for 2002-2004 it fluctuated between above 4% to below -2%. Moreover, the increase will have to be even greater if labour market participation remains low, although the productivity rate will hardly manage to balance off low participation rates. That is the reason to implement an activation policy through training and inclusion in employment towards the people outside the labour force who wish to work. Special attention has to be paid to mobilization of employment potential among vulnerable persons on the labour market, as well as to efficient integration of ethnic minority groups for more and better jobs. If labour market participation does not increase to 70% until 2015 – even if there is a rise of labour productivity – the per-capita income in Bulgaria will remain lower than one third that of EU-25.

For the purpose of achieving maximum effect of the labour market interventions, additional efforts are needed towards improving the legislative environment with regard to increasing labour market flexibility.

In order to achieve quality results in the implementation of the objectives set in the Operational Programme it is necessary to build the capacity of staff for the implementation of OP HRD, as well as to improve the working environment, the working conditions and the efficiency of services provided. In relation to this, focused attention is also required on further development and improvement of the EA information and communication systems with a view to ensuring operability, flexibility and quality of the services provided on the labour market, timely application of amendments to legislation into practice, as well as streamlining the operation of staff at communication with clients. The development of mobile offices for the provision of services with the objective to improve access to the labour market will contribute to the successful integration of unemployed persons and will stimulate the activity of people looking for job.

Therefore, Bulgaria is now facing a full-scale reform agenda to improve its economy and compensate for demographic decline by increasing labour productivity and inclusion of inactive people on the labour market.

1.4. EDUCATIONAL STATUS OF THE POPULATION

Structure of educational system by education levels

The National Programme for Development of School Education and Pre-school Upbringing and Preparation (2006-2015) introduces a new structure of the educational system. The table below presents the current structure of the educational system by levels of education, as well as the changes envisaged in the National Programme. The changes shall be enforced for pupils in the 5th grade in 2006-2007 school year:

Levels	Stages	Age of the learners	Type of educational institutions
Basic education	Pre-school education	6-7 years	Kindergartens Kindergartens – pre-school education
	Primary stage 1-4 grade	6/7-9/10 years	General education schools
	Junior school stage 5-8 grade <i>5-7 grade according to the new curriculum</i>	10/11-14-15 years	General education schools
Diploma for completed basic education after finishing 8 grade, According to the new curriculum after completion of 7 grade			
Secondary education	Gymnasium level 8-12 grade 2 levels according to the new curriculum First: 8-10 grade Second: 10-12 grade	14/15-18/19 years	General education schools Language schools Sport schools Art schools Vocational gymnasiums
Diploma for completed secondary education According to the new curriculum: Certificate after first level (10 grade); Diploma after second level (12 grade)			
	Colleges	Post-secondary education 19-22 years	Vocational colleges Art colleges
Diploma for completed secondary education and certificate for gained IV level of vocational qualification (ISCED 4)			
	Colleges	Within the higher education system	
Diploma for completed education – specialist in (ISCED 5B)			
Higher education	Bachelor's	Above the age of 19 years, after completed secondary or college education	Humanitarian higher education schools Technical higher education schools
	Master's	Post-Bachelor's degree	Higher education schools of arts
	Doctor's	Post-Master's degree	Higher education schools of sports Higher education schools of medicine
Diploma for completed higher education and the corresponding degree (ISCED 5A)			

Profile of the population by levels of education

In 1998-2004 the educational structure of the population went on improving following the clear trend of increasing the number and percentage of the population with higher and secondary level of education. The relative share of people with higher education increased from 18% in 2000 to 22% in 2004 that is 4 percentage points. These data show that 72% of the people in the most active age in terms of employment have either higher or secondary educational level, and this is a proof of good

educational level of the population, which is comparable to that of EU average (21-22% for 2000-2003). At the same time the comparative analysis shows that the relative share of people with higher and secondary education in Bulgaria is lagging behind the one in some economically developed countries like Finland, UK, Belgium, Denmark, Sweden, Eire, etc.

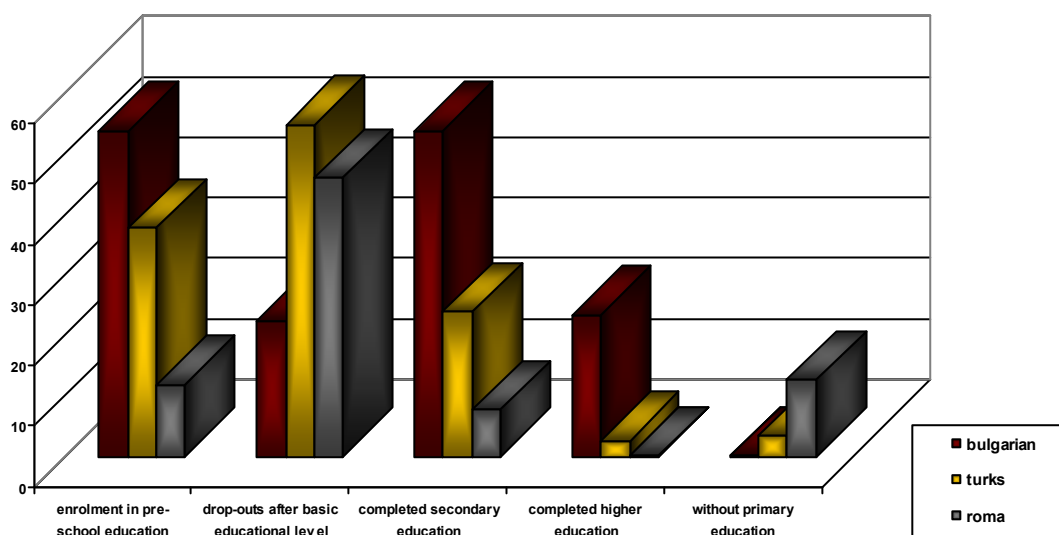
According to OECD data, almost all EU Member States have increasing values of learners aged 20-29⁹, and its average (22.2%) is expected to reach 30% in 2015. In Bulgaria there is the opposite trend – from 16.4% in 1999, the share of learners in this age group fell to 15.2% in 2002.¹⁰

The share of attending schoolchildren out of the total number of children between 5 and 14 keeps rising steadily over the recent years and is comparable to the values of the same indicator for EU Member States.¹¹ In 2003 and 2004 enrolment in primary stage of the basic education actually reached the target levels of almost 100% for 2015. However, for the older age groups it is considerably lower. In 2004, it is 84.1% for junior school and 77.3% for secondary education. According to the data on the developments in the basic education, there are many reasons to expect deterioration of these indicators.

With regard to basic education indicators (literacy and enrolment rates), Bulgaria has similar levels to those of the EU. The level of literacy as declared by the population is rather high (98.6% in 2001), which puts it in 37th place among a total of 202 countries ranked according to this indicator. The net enrolment ratio is also relatively high in regard to the basic level of education.

Ethnic specifics of educational coverage

Disproportions in education have visibly ethnic features and results from the differences in the lower education and training levels. According to sociological data¹², preschool training covers: 54% of all Bulgarians, 38% of all Turks and 12% of the Roma. There are 22.6% Bulgarians with completed basic level of education, 55% - Turks and 46.2% - Roma; those with secondary education are: Bulgarians - 54%, Turks – 24%, a Roma – 7.8% out of the total number of the respective groups.¹³



⁹ Percentage of same age population.

¹⁰ See Education at a glance, OECD, 2002; Efficiency of Resource Allocation in Higher Education Sector in Bulgaria, Final Report, Helsinki Consulting Group, 2004.

¹¹ See Public Expenditure Review: The education – state, problems and opportunities – MF, 2004.

¹² <http://www.osi.hu/esp/rei/romaschools.bg.osf/bg/objectives.html>

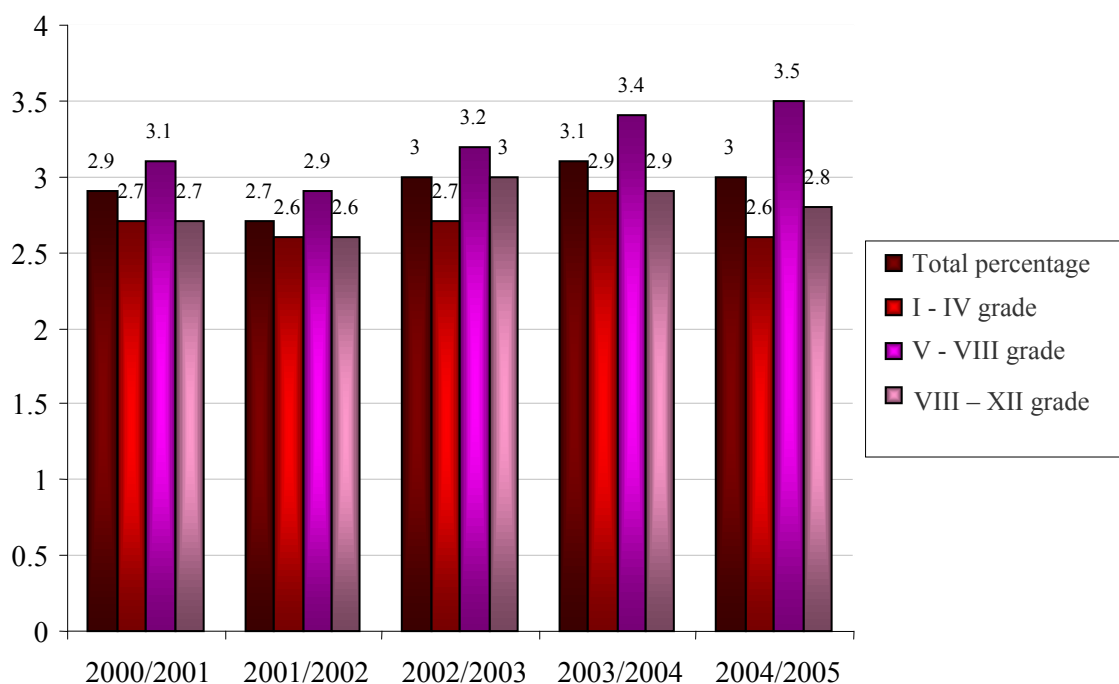
¹³ The sum total does not equal 100% as the figures concern shares of the respective ethnic group, and not of the total number of population. For example, the fact that 54% of the Bulgarian population is covered by pre-school education means that the remaining 42% of the Bulgarian population are not covered.

The data on higher education are very indicative. About 23.5% of all Bulgarians have a higher education school degree, compared to 2.7% of the Turks, and about 0.2% – 0.4% of the Roma. The figures identifying the share of those who do not even have primary stage of the basic education are disturbing – for Bulgarians it is almost nought, for Turks – 5.6%, and for Roma – 20.5%. Most of these people are absolutely illiterate. The general picture of illiteracy is also very indicative as, although still rather low, it seems to be increasing – in 1999 it was 0.2% for adult Bulgarians, 3% for the Turks and about 12% for the Roma, while now it is 0.3% for Bulgarians, 3.5% for the Turks and 12.7% for Roma¹⁴. The increase is also characterised by sex differences: it is more typical for the women of the Muslim Roma community. Big part of the ethnic minority groups that live in cities leave school semi-literate before completion of basic level of education, and in villages – as early as after primary stage. The access to secondary education is too limited and it is accessible mostly for those who live in bigger cities. Roma schools are positioned in detached quarters, no matter whether in a town or in a village. Recently, the number of closed down schools in the villages with high percentage of Roma population is increasing.

Drop-out from the educational system

The problem with the prematurely drop-out from the educational system is substantial. The lowest percentage belongs to dropouts during the primary stage of the basic level of education. In 2004-2005, the enrolment levels for the primary stage of the basic educational level (1st-4th grade) based on NSI data reaches 99.7%. Some 2.54% will not complete this stage. This means that the problem with dropouts exists already at the first level of educational system, though not as strongly expressed as in the following stages. The mandatory preparation before the enrolment for I grade has a positive impact for the attraction and retention of children in schools. Obviously, there is a need for serious preparation for the school start to overcome the critical first and second grades. This is especially important regarding ethnic minority groups before enrolment into first grade, in order to learn literary Bulgarian, build social habits, communication skills etc., which would enable them to have an equal start with the other children.

Relative share of drop-outs by levels of education



¹⁴ *Public Expenditure Review: The education – state, problems and opportunities*, page 39.) (<http://www.minfin.government.bg/docs/EDUper cent20reportper cent2020041.pdf>).

During the last two school years 2003-2004 and 2004-2005 the highest share of school dropouts is observed between the V and VIII grade – over 3%. Its growth during the past several years is a troublesome fact since the junior school stage of the basic level is part of the mandatory education. Considering the fact that the strongest factor for access to employment is the level of education, alternative programmes allowing this part of school dropouts to continue their education in order to enable them to find a job later must be drawn and proposed.

Of the total number of the 19 193 dropout pupils in 2004-2005, the highest share is due to family reasons – 6 664 or 34.7%. The high share of school dropouts for family reasons can be explained with the economic instability resulting in unemployment, poverty of the family or its inability to provide its pupils for textbooks, school aids, notebooks and clothes, or need of workforce to help earn the living of the family.

School dropouts due to unwillingness to learn, including those with low marks and absenteeism are 5 471 that is 28.5% of the total number of dropouts, compared to 25.7% during the previous year. The reasons for that should be sought in the difficulties to master the study content, due to insufficient Bulgarian language proficiency, difficulties due to the sophisticated academic style of textbooks and school aids, lack of comprehensive preparation and motivation to study, insufficient use of interactive methods and approaches for education and use of new technologies, insufficient preparation of the principals and teachers to work in a changing environment, the need of retraining and upgrading of teachers.

Access to education

With regard to access to education, risk groups are basically the children from ethnic minority groups and the children with special educational needs.¹⁵ Based on NSI data for the school year 2005-2006, these children are around 11 875 studying in 127 specialized schools. The number of children with special educational needs is high. In most cases they are institutionalized and remain isolated from the natural family environment. The legislation providing for integrated education of children with special educational needs is not the only precondition for the actual realization of the integration process. Supportive environment, which could guarantee equal access to education and quality education for these children, is still not developed. A positive trend is that since the school year 2005-2006 3 800 children and pupils with special educational needs are being educated and trained on an integrated basis, with the help of 227 resource teachers. However, the number of resource teachers remains extremely insufficient.

The problems of access to high-quality educational services of the children on Roma origin stem from the fact that major part of the Roma families live in segregated Roma neighbourhoods and their children attend the local schools which is a precondition for segregation.

In Bulgaria in 2002/2003 there were schools where between 50 and 100% of the children were Roma, living in predominantly or purely Roma villages, hamlets or ghettos in the cities. The same pertained to schools in settlements inhabited by compact groups of Turks and Bulgarian Muslims. This, however, is due to the intensive and (ethnically) irregular migrations in the last 10-12, not to segregation attitudes and practices.¹⁶

Pupils of Roma origin are approximately 10% of the total number of pupils between 6 and 18 years of age. Between 7 and 10% of Roma children in this age group definitely do not go to school. With the exception of Smolyan and Blagoevgrad region, where their number is small, almost everywhere the pupils of Roma origin account for 10-15% of those studying in the primary educational stage

¹⁵ People with sensor, physical, multiple disabilities, with mental disabilities, with learning difficulties, with linguistic-speech disabilities” (IRPEA, Additional provisions, paragraph 3a, sub-paragraph 2.)

¹⁶ Report on project: Evaluation of the Existing Educational Policies and Practices to Grant Equal Access to Education to Children from Minorities and Elaboration of Policy Recommendations for Sustainable Solutions of the Educational Issues of Minorities. International Center for Minority Studies and Intercultural Relations. Docho Mihailov, Antonina Zhelyazkova, 2003.

(1st-4th grade), about 10% in the basic (4th-8th grade) and about 1 % in the secondary (8th-12th grade). The largest number of nearly 100% Roma schools are located in the villages of the regions of Stara Zagora, Shoumen, Sliven, Pazardjik, Sofia-region, as well as in the cities with large Roma ghettos – Sofia, Plovdiv, Sliven and Stara Zagora.

One must also take into account the common tendency among parents from the Roma ethnic group to enrol their healthy children in specialized schools because of the residential services provided there.

Regional scope of the educational services

The statistics register major differences in the access to education between urban and rural regions. Out of all children enrolled for the school year 1996-1997, the number of children in rural regions who have completed their primary education is some 17% less than those in urban regions. The index of children, who have completed pre-secondary school, is very indicative, it grew with 1.9% in towns for the period 1996 – 2001, but declined in the villages with 6.7%. Dropout rates are about 50% higher in villages than in towns, and in secondary education boys tend to drop out more (3.6%) than girls (2.3%). One should take into account the fact that out of total number of 2 843 general education schools in Bulgaria in 2001, over 350 are nearly 100% Roma – concentrated mostly in the villages around Pazardjik, Stara Zagora, Sliven, Yambol, Plovdiv. There most children are formally enrolled but do not attend school. Most children do not complete their basic and/or secondary education, which cannot be compensated for as there is no system or opportunities in place for an effective informal learning scheme. To confirm this trend, the Human development index (monitored by UNDP) registered in 2002 that remote municipalities and municipalities with concentration of ethnic minority groups have low rates of literacy and enrolment. The teachers and administrative staff are not prepared to work in an intercultural environment.

Aiming to guarantee the coverage of pupils within the framework of the existing education network, it is necessary to restructure and enhance the mobility to support the relatively vital villages and small towns, as well as to deinstitutionalise the children with special educational needs and to create opportunities for their socialisation. Such restructuring would also improve the equipment and the facilities, the provision of IT equipment. It would help the creation of architecturally and psychologically adapted environment for integrated education of children with special educational needs and for children from ethnic minority groups, as well as the provision of transportation facilities with the aim of widening the opportunities for their educational development.

Quality of education

Basic and secondary education

The evaluation of the quality of basic level of education in Bulgaria could be sought in the results from the international study carried out in the field of mathematics and natural sciences (TIMSS)¹⁷, used as criteria also by UNESCO, and underpinning the European education quality indicators. The information on the pupils' achievements in the primary and junior school level of education in mathematics and in natural sciences shows that the traditionally high level of education of Bulgaria is dropping dramatically. From a leading position among the 50 states monitored under that study – in 1995 ranked ninth in mathematics and fifth in natural sciences, Bulgaria has dropped in 2003 to 25th and 24th place respectively in the two fields. Similar trends are also demonstrated by the results

¹⁷ TIMSS 2003 International Mathematics Report *Findings From IEA's Trends in International Mathematics and Science Study at the Fourth and Eighth Grades*, Mullis, I.V.S., Martin, M.O., Gonzalez, E.J., & Chrostowski, S.J. (2004), Chestnut Hill, MA: TIMSS & PIRLS International Study Center, Boston College and TIMSS 2003 International Science Report *Findings From IEA's Trends in International Mathematics and Science Study at the Fourth and Eighth Grades*, Martin, M.O., Mullis, I.V.S., Gonzalez, E.J., & Chrostowski, S.J. (2004), Chestnut Hill, MA: TIMSS & PIRLS International Study Center, Boston College.

from the literacy study, and the studies on adopting entrepreneur and civic skills through the educational system – studied in the framework of PIRLS¹⁸ and PISA¹⁹. On the background of the negative tendencies in the quality of education and lack of skills acquired by young people for adaptation to the real life, it is of particular importance to develop an efficient and working standardised system for external evaluation of the pupils' knowledge and skills.

Important precondition for improving the quality of school education is also the improvement of the teaching process. The current system for enhancing teachers' qualification needs to be streamlined significantly in order to increase teachers' motivation for participation in the training courses offering higher occupational and qualification levels. There is little difference in the payment received by those with and those without acquired occupational qualifications, which certainly discourages teachers from participating in such trainings. On the whole, teachers' qualifications fail to match the requirements of the labour market, new technologies and new teaching methods.

There is no standardised procedure for the schools to evaluate the effectiveness of the teaching process. The school managements do not have experience in developing individual plans aiming to utilize effectively the human and material resources. There is no system developed for self-assessment and in-house planning of the school activity by the school itself to comply with the Bulgarian conditions and with the European standards. This predetermines the need for introducing a system of internal and external evaluation of the work of teachers, school principals and experts using clear indicators, as well the need to establish an efficient standardised system for internal and external evaluation of knowledge and skills of the pupils. In this relation, there is an obvious need for preparing school managements to develop and apply systems and procedures for internal evaluation of learning process quality.

Higher education and R&D

Bulgarian higher education schools benefit from academic autonomy guaranteed by the Higher Education Act²⁰. In the country are operating 51 higher education schools²¹ and the quality of training and teaching in the various educational institutions is different. The specialties are unequally distributed in the different higher education areas: economics, law, social sciences and humanities (over 60% of all students in the country); natural sciences, medicine, engineering and technology programmes (about 20%). This differentiation does not match the labour market demand, where one may notice serious shortage of well-trained specialists in the field such as information and communication technologies and civil engineering.

The disproportion results from the feeble links of the higher education schools with the businesses and the social practices, which are the best test for the adequacy of training. The state institutions for higher education rely upon a guaranteed annual subsidy and do not demonstrate sufficient flexibility and willingness for reform of the traditional curricula and syllabi. Another problem going along with this is the ageing of the faculty members and the lack of adequate motivation for young and promising scientists and trainers capable of developing the potential of Bulgarian higher schools. There are no conditions in place for effective students' internships in the enterprises. In Bulgaria the market of intellectual labour is not well developed. There is no operational mechanism for regular monitoring of labour market needs. The reasonable criticism of employers in respect of the quality for the purposes of education and training at the Bulgarian higher schools is not backed up by committed actions (identifying the labour market needs, proposals for changes into the curricula and syllabi, arrangements for probations and practices, participation in examination panels, early selection of young specialists, etc.).

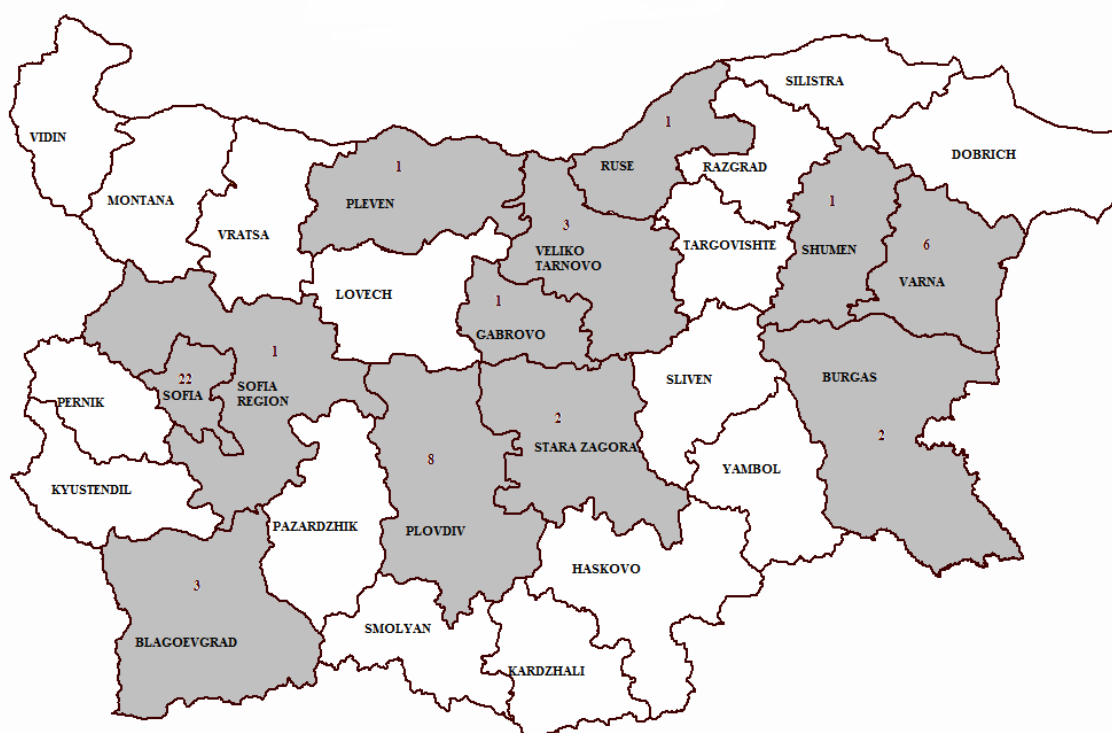
¹⁸ PIRLS 2001 International Report: IEA's Study of Reading Literacy Achievement in Primary Schools, Mullis, I.V.S., Martin, M.O., Gonzalez, E.J., & Kennedy, A.M. (2003), Chestnut Hill, MA: Boston College.

¹⁹ PISA 2003 Assessment Framework: Mathematics, Reading, Science and Problem Solving Knowledge and Skills – Publications 2003.

²⁰ State Gazette, No. 112/27 December 1995.

²¹ According to data from the Register of Higher Education Schools in the Republic of Bulgaria; Ministry of Education and Science.

Map 6 – Territorial distribution of higher education schools



The building of a knowledge-based economy necessitates a serious intervention in the development of the R&D sector aimed at overcoming the existing problems and strengthening the links with the business. The money allocated for the R&D sector currently hardly reaches 0.47% of GDP (in EU-25 – 1.9% and in EU-15 – 1.95%). This type of activity is funded primarily by the state budget – 71%, 20% by businesses and about 9% by other sources (projects, patents, etc). In this respect Bulgaria is similar only to Portugal (with 69.7% of the finding provided by the state budget, 21.3% by businesses and 9% other); unlike Sweden, for example – 24.5% by the state, 67.7% business, 7.7% other, or Greece – 48.7% by the state, 24.2% business and 27.1% other)²². In the context of the low absolute values of GDP, these figures are even more indicative, especially compared to the funding of all education levels. As a rule, they are five to twenty times less than the cost of one student in EU Member States. This is most relevant with respect to those specialising in ICT, food industry and machine building, where until 1989 Bulgaria used to be most competitive. Therefore, Bulgaria finds it hard to retain its highly educated young people and the number of researchers is rapidly diminishing – from 31 704 in 1990 to 16 671 in 2002.

Through signing the Bologna Declaration in 1999 Bulgaria has been involved in the process of building the European Higher Education Area. In fulfilling the commitments taken the educational-qualification degrees “Bachelor” and “Master” were adopted, as well as the educational-scientific degree “Doctor”. Introduced was also the European Credit Transfer and Accumulation System (ECTS), a key factor for encouraging academic and work mobility. The legislative framework governing the field of science and applied research needs serious changes aimed at motivating young people to pursue career in science by creating conditions for personal and professional growth, ensuring an environment for exchange of specialists and intensive interaction with the business, establishing mechanisms for recruitment and attraction of prominent students graduating from Masters programmes towards PhD studies, scientific and innovation activities, development of new

²² Reviews of National Policies for Education: Bulgaria – Science, Research and Technology, OECD, 2005.

types of PhD studies based upon the “science-business” link, establishment of professional and research PhD studies. Also, efforts need to be made towards improvement of the scientific and innovative potential at the universities and scientific organizations through increase of the R&D costs, application of mechanisms for mobility of scientific workers. It is necessary to utilise more productively the potential of scientific organizations for attracting reputable local and international scientists.

E-education and foreign language training in the education process

In 2006, for the first time considerable improvement in one of the most criticized areas in all reports on e-Bulgaria dating from 2002 till 2005 – e-education, was noticed.²³ This concept embraces the assurance with computers, access to Internet in schools and universities, their presence in the web space, the use of ICT by the pupils and students and use of new technologies in the lifelong learning. In spite of the reported progress, introduction of ICT in the remote rural areas faces major difficulties. The problems arise from the lack of operational infrastructure, and from the difficulties in attracting qualified ICT and foreign languages teachers. This tendency doesn't have a regional scope but is applicable to the whole country.

In April 2006 the Council of Ministers of the Republic of Bulgaria approved an updated version of the National Strategy for Introduction of Information and Communication Technologies (ICT) in Bulgarian Schools. The main components of the Strategy are devoted to equipping schools with computers, ensuring access to Internet, delivering teaching staff training and developing e-content. As of 2006 schools in Bulgaria are equipped with about 50 000 computers (an average of 16 computers per school; the minimum number of computers per school is 4). The data shows that 80% of secondary school pupils above 10th grade and 84.9% of pupils above 15 years of age use Internet, and that about 24% have a working knowledge of English. According to data from E-Bulgaria Annual Report as of June 2006 the student/computer ratio in Bulgarian schools is 19 pupils per 1 computer on average, the objective being reaching a ratio of 10/12:1²⁴ by the end of 2007.

The National Strategy envisages that most schools will have high-speed Internet access by the year 2007. This goal has long been achieved in the Czech Republic, Slovakia, and Hungary, where over 80% of all schools have Internet access and over ¼ of those have a high-speed connection. In one of the most developed countries in the EU in this respect, the Netherlands, 95% of the schools and 63% of the households have access to the Internet, and knowledge of English language is a fact for 98% of the secondary school graduates²⁵.

Despite the fact that teaching staff was trained and that competitions were organized for developing electronic content, the qualification and preparedness of teachers to use and integrate the new ICT in the training process is still the riskiest factor for the future development in this field. Except for the classes in Informatics, computers are not widely used in teaching other subjects. Principals show a low level of competence and motivation in using ICT in the processes of school management.

As a whole, the available computer infrastructure used for teaching students and work of the lecturers in the higher education schools is increasing in number on average annual level by 1 computer for 100 students. In practical terms, 80% of the available computers are connected with Internet, different forms of distance learning are used and support of non-presence classes through ICT, multimedia and specialised web interface.

²³ The Annual Report E-Bulgaria 2006 drafted by “Applied Research and Communications” Foundation in cooperation with the State Agency for Information Technology and Communications, Vitosha Research, and the Center for Research of Democracy and provides an overall analysis of the development in the field of information society in Bulgaria.

²⁴ According to data of “Information and Communication Technologies in Education” Directorate – Ministry of Education and Science.

²⁵ See National Strategy and Action Plan for the introduction of ICT in the Bulgarian Schools, Ministry of Education and Science and Ministry of Transport and Communications.

In the recent years the foreign language training is gaining ground in primary education. According to NSI, in the school year 2004-2005 the amount of children in the general education schools studying foreign languages in primary school (I-IV grades) is 66%, or 17.0 points higher than the previous school year, and in secondary – 87.3%, or 17.4 points higher. With an average amount of 1.3 foreign languages studied as part of the basic education and 1.6 in the secondary education in the EU, the estimated amount of foreign languages per student in Bulgaria are respectively 1.1 in the basic and 1.8 in the secondary education, which shows that it is comparable to the European level. The most popular language is English, studied by 74.7% of the foreign language learners. At the same time, it is important to note that there is a shortage of certified foreign language teachers. This represents a challenge that needs to be dealt with in the future.

Lifelong learning, vocational education and training

The lifelong learning is a process facilitating personal advancement, social inclusion and employability of the workforce. Gaining and upgrading the qualification needed for active and sustainable presence into the knowledge-based society are ingenious outcome of the participation in various forms of lifelong learning. Their development in the past years was facilitated through series of strategic documents such as the National Strategy for Demographic Development of the Republic of Bulgaria (2006 – 2020), National Programme for Development of School Education and Pre-school Upbringing and Preparation (2006-2015), National Strategy for Continuing Vocational Training (2005-2010), Adults Training Strategy, etc. The listed documents, along with the Higher Education Development Strategy currently undergoing discussion, will be united in the integrated National Lifelong Learning Strategy which is in a process of preparation.

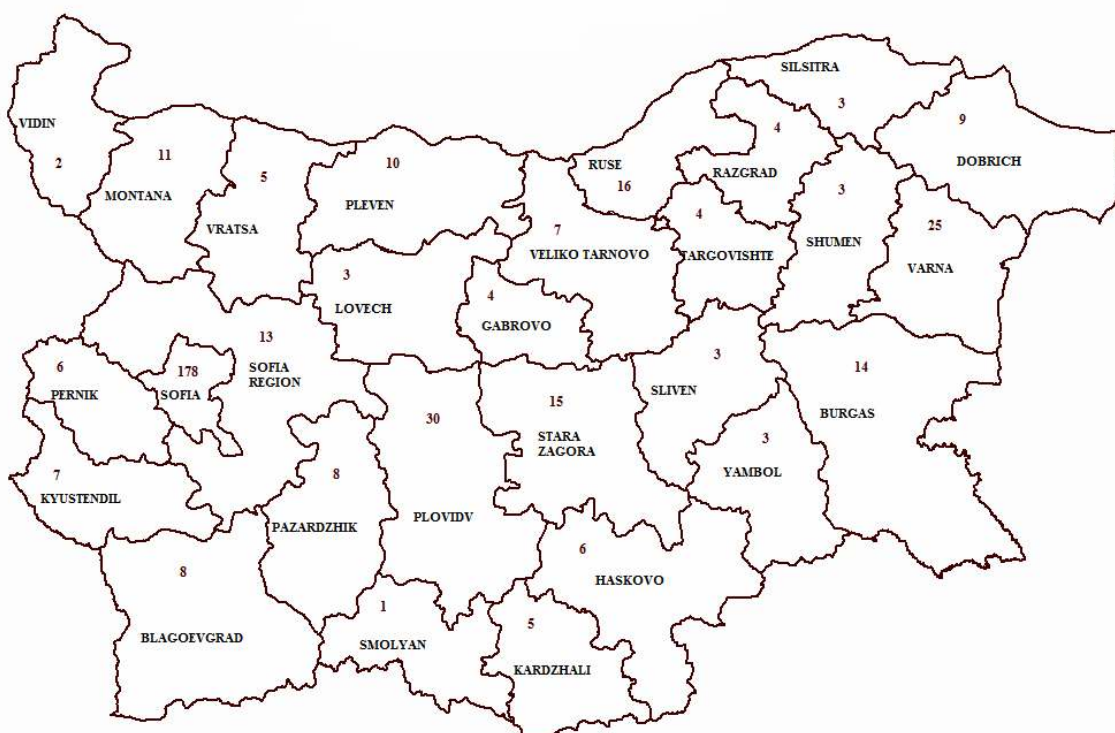
Lifelong learning and vocational education and training are crucial for the training of qualified staff, for which there is ever growing demand in Bulgarian economy. Vocational guidance is an essential and compulsory component of lifelong learning. The major problems in this area are connected with the lack of a single national vocational guidance system, incl. the lack of early vocational guidance, insufficient coordination between the activities and the providers, insufficient number of staff involved in these activities. Distance learning which provides opportunities for lifelong learning without discontinuing work and leaving the hometown is still rarely practiced.

The reform in education and vocational training should be targeted towards employment, should meet the requirements and should match the pace of the changing labour market, and should be involved in the creation of new opportunities for lifelong learning.

The participation in lifelong learning of the Bulgarian population as a whole is significantly lower compared to the average for the EU Member States. According to the Eurostat data, the total number of people aged 25-64, participating in any form of lifelong learning is only 1.3% – in comparison to the average in EU – 10.2%.

An important instrument for overcoming the lagging behind of the population in professional aspect is the development of a network of vocational training centres. Centres that meet the requirements for vocational training and acquiring vocational qualification have been established in the different regions of the country. As of February 2007 the number of vocational training centres reached 410. There are 197 outlets with the vocational training centres that function independently.

Map 7 – Territorial distribution of Vocational Training Centres



Even though the funding for the educational activities increases by increasing the relative share of funds allocated by the state budget, it is still far from its levels in the EU countries and compared to the beginning of our transition to the market economy.²⁶ This, in turn, makes it impossible to renew the equipment and facilities in schools. Their condition is unsatisfactory and does not allow education and vocational training using modern training technologies and modern ways of acquiring knowledge. It also has a negative influence on the overall qualification of the trainees, which still does not comply with the requirements of the modern technologies for production and to the modern organisation of production.

Future development of education and training in Bulgaria

In the context of the Lisbon Strategy, the new knowledge-based economy defines the directions for the future development of the education and training in Bulgaria. The use of ICT, foreign languages, and the technical access to the world web are preconditions for the creation of a school of the 21st century, which provides high-quality modern education and training. The school of the 21st century reflects the strategic objectives for establishment of focal schools which provide high-quality and complex educational services with accompanying measures for improving the access. The motivation, qualification and level of preparation of teachers, incl. to use in integrated manner the new ICT in the process of teaching, remain the most risky factors for the development in this field. The effect of the computerization in the schools could be measured with the improvement by 2-3% of the pupils' general access to computers and internet.

Analysis shows that a large part of the issues in education in Bulgaria are connected with providing equal access to education at all stages. This is why in the future it is necessary to work towards

²⁶In 2007 total of 4.2% of the GDP was allocated to education; in 2003-2004 - 4.17%. In 2002-2003 the percentage is 3.9%, and in 1992-1993 – 5.4%. Source: Bulgaria – Issues of Public Finance and Expenses, and Guidelines for Reform, World Bank, Sofia 2002, page 103.

creating conditions for the inclusion of all children in the school process since the Bulgarian economy within the EU has tough requirements for the work force to match. In secondary school education the stress should be on foreign language learning, computer literacy, team work and early professional orientation, which will ensure, among other things, successful participation on the labour market and better preparation at the entrance to the higher education.

The new Bulgarian economy requires completely new understanding in the sphere of professional and continuing training. The fast technological development, globalization of financial and commodity markets, the need for a continuous renewal of goods, current demographic trends – all these require flexible and effective methods for professional training, and not only initial but constant training for the entire work force at all levels.

The higher education and scientific research sector need serious reform aimed at: 1) education of people needed for the development of Bulgarian economy; 2) maintaining of level of competitiveness of Bulgarian higher schools and scientific organisations to be converted into attractive place for young people. Achievement of objectives requires identifying the labour market needs, adapting and upgrading the curricula and syllabi, creating appropriate conditions, including legislative amendments, for attraction of young specialists and scientists and supporting the research and development activity at the higher schools.

Scientific studies and applications targeted towards the development of new products, technics and technologies demand creative thinking, analytical skills and lifelong learning. This leads to quality reforms in the educational system aiming to give young people necessary knowledge and skills as well as to develop creative and analytical thinking already in school.

1. 5. SOCIAL INCLUSION

Risk of poverty and social exclusion

During the past few years Bulgaria achieved progress on the problems of poverty and social exclusion by applying a new model of social policy interacting with the other state policies, which contributed for the transition from passive towards active social protection with the aim of creating human, physical and social capital, including the active inclusion of vulnerable groups in order to increase their own welfare; putting the focus not on the consequences, but on the reasons that generate the negative trends in the society, most of all poverty, social exclusion, etc. The main problems that the vulnerable groups in the Bulgarian society are facing are: restricted access to the labour market and to the resources of the society, inability to overcome poverty, the obstacles before the enjoyment of rights, granted by law, and benefiting from basic services. The measures aimed at social protection and social inclusion are integrated into and comprise part of the common state policy. These measures are implemented through specific strategies and programmes in all social policy fields. Special emphasis is put on healthcare and access to health and social services; deinstitutionalization; child protection as a form of preventing the risk of social exclusion; integration of vulnerable groups in the society. The common strategic approach for implementation of the policies is grounded in the National Report on the Strategies for Social Protection and Social Inclusion of the Republic of Bulgaria for the period 2006-2008 and finds its expression in the National Action Plan on Social Inclusion.

Macroeconomic stability, economic growth, employment growth and the farther reaching social protection system are the main factors which contributed Bulgaria to reach significant progress in reduction of poverty. A record low poverty level was registered in 2006 for the entire period after 1995, with poverty level dropping from 16.5% to 13.9% (15.7% for women and 11.8% for men). Despite the general trend of decrease of poverty among the population, the poverty level is still higher among certain risk groups. This is due from one side to the lack of link with the labour market - unemployment, irregular employment, low income levels, low levels of qualification, and from the

other side, due to objective conditions such as age, presence of permanent disabilities, number and structure of the household, etc.

In this respect one should distinguish between several main groups with high poverty risk:

- Children and, especially those living in households with a single parent and in households with many children. In 2006 poverty level for children aged up to 15 years was 15.1%, while the average for the 16-64 years old group was 12.3%. In parallel with this one of three children with single parent (31.1%) lives in poor household. Poverty risk is especially high for the families with many children – 28.6% of households with three and more children live in poverty. Risk is additionally intensified for children from the vulnerable ethnic minority groups, in particular Roma and Turkish.
- Unemployed. Considering the status on the labour market, the unemployed are the most vulnerable group of all persons. In 2006 poverty rate among them was 35.8%, correspondingly 37.4% for men and 34.4% for women.
- Elderly people living alone. Aging, in combination with unfavorable family situation is a strong factor leading to poverty. In 2006 18.0% of the persons aged above 65 were below the poverty threshold, their share rising to 37.0% for those of them living alone. The eldest are the most vulnerable, in 2005 one in every four persons above 75 (23%) and one in every two (50%) of those living alone above this age were poor. Elderly lonely women are much more vulnerable than men, in as much as the risk of poverty for them was 55% as compared to 30% for men (2005). According to these indicators, the lonely elderly women comprise a specific vulnerable group from the point of view of increased risk of poverty.
- People with disabilities. According to data of the National Social Security Institute, people with disabilities in 2006 totaled 840,000. According to the World Bank, the average basis for poverty assessment shows extremely low levels for the groups of people with disabilities: below the “absolute threshold” are more than 90% of the people with disabilities.²⁷ Irrespective of the fact that in 2006, following the passage of the Integration of People with Disabilities Act, considerably more people with disabilities became entitled to welfare benefits for social integration, as a result of which the resources made available by the state budget increased by 65.1%, a sustainable result in overcoming the social isolation of this group of people failed to be achieved.

Access to services

The equal access to basic services for the vulnerable groups is decisive for their effective social inclusion and life in society. Ensuring equal access to services is undoubtedly among the key challenges in fighting social exclusion in Bulgaria, and its effect and sustainability are enhanced by the application of individual approach, having as its final goal integration in the labour market. In this context, there are a number of measures currently implemented, which albeit demanding concentration of more resources, may be deemed successful. For example, the measures for: development of social services in the community in order to support the children and their families, as well as to support people with disabilities and elderly people; ensuring equal access to education – mainstreaming of children with special educational needs and supporting their training and the measures for reducing the number of school dropouts; adaptation of the environment to the needs of people with disabilities and provision of accessible transport; opening adapted and protected workplaces; training and retraining, etc.

However, despite the progress achieved, there are still some problems. In education, it is necessary to expand the scope of the measures particularly targeting children from the disadvantaged groups.

²⁷ Disability Issues Trends and Recommendations for the World Bank. Robert L. Metts, Ph. D. – 02.2000; World Bank 1999 Bulgaria: Poverty During the Transition, Washington; World Bank Security 2001 – SP Discussion Paper 9918 World Bank, Washington.

The reform of the system of special schools is not yet completed. The municipalities have not been very active participants in the process of adaptation of transport vehicles. In the field of services, another challenge requiring concentration of large financial resources is the provision of access to adequate housing, primarily for the neediest families and the most vulnerable Roma families. To this end, special measures have been undertaken to provide housing to Roma ethnic minority group and families with low income. The long-term National Programme for improvement of the living conditions of Roma is underway. Its completion will provide a lasting solution to their housing problems.

Specific group among the services is the group of *social services*, which are of great significance for overcoming social isolation. This group of services, and, in particular, the services in the community, with regard to the possibility of offering them in a flexible and diverse way, contribute to all areas of integration of the vulnerable groups – employment, education, elimination of discrimination, healthcare, housing, etc. They are also one of the main driving forces of social entrepreneurship in Bulgaria.

By the end of 2006, on the territory of the country are functioning a total number of 204 specialised institutions for provision of social services for children and families. During the period 2003 – June 2006, the number of the specialised institutions started to decrease, and in case of the number of institutions for children and youths with mental disabilities the decrease is more obvious. As a result of the increased control on the observation of the standards and the criteria for the provision of social services, in the period 2003 – 2006, 7 specialized institutions for adults and 20 specialized institutions for children (based on SACP data) have been closed down. The capacity of 8 specialised institutions has been reduced. In the period 2003–2006, nine specialised institutions have been relocated to new buildings.

Special attention in the social services policy is given to the deinstitutionalisation. The development of social services in the community clearly shows that they are the main instrument for achieving real deinstitutionalisation. In 2003, the established community-based social services were 40, by June 2006 they are already 112 and by the end of 2006 this number has grown to 158.

Already functioning are 56 day-care centres for children and adults with disabilities, 15 day-care centres for elderly people, 29 centres for social rehabilitation and integration, 4 shelters for unattended children and 31 sheltered homes for people with mental disabilities, 9 Community Support Centres, 8 Mother and Baby Units and 6 day-care centres for street children, which are financed by the state budget.

The analysis of the implementation of the Plan for Reduction of the Number of Children Brought up in Specialised Institutions in the Republic of Bulgaria (2003 – 2005) shows that for the whole period of action of the plan, the number of children placed in specialised institutions has reduced by 18.3%. The decrease in the number of children placed in specialised institutions is due to the developed and acting system for child protection.

The insufficiently developed network for alternative social services for the mentally disabled people is the reason for the slower process of their reintegration in the community. The efforts directed to involving this group of people in the working process, as a means of providing them with a real opportunity for social integration, are still insufficient. During the last few years a process of closing down, relocation and reduction of the capacity of specialised institutions, implementation of projects and programmes by NGOs and training of staff has been going on. The budget for financing of social services, activities delegated by the state, has been increased by 18.5% in 2006, which allowed the improvement of the quality of the services provided. Despite this fact not all opportunities have been developed for support through social, training and labour-therapeutic rehabilitation leading to integration in the labour market of the people who live in specialized institutions and those who use social services in the community, their social inclusion and improving their quality of life.

The achievement of higher quality of the social services is being performed in several main directions: improvement of the quality of care and living conditions in the specialised institutions, their restructuring and reform, and development of alternative social services with the aim of stimulating the process of deinstitutionalisation. The prioritization of these processes is imposed by the proved need for reform in the field of social services and their orientation to the actual needs and specific opportunities of users with a view to creating conditions for their social inclusion.

Although the entire policy for development of high-quality social services at the community aiming deinstitutionalization reports positive results, there are still series of challenges obstructing the reform's faster progress that need to be addressed:

- Adopting a coordinated approach in the process of implementing this policy;
- Creating and adopting an integrated model for service provision at local level;
- Enhancing the capacity and motivation of specialists working in this field;
- Improving the geographic allocation of the services to match the identified needs;
- Strengthening the capacity of control authorities in view of the growing number of services and providers;
- Improving the horizontal and vertical coordination;
- Activation of public-private partnerships.

Community and civil society – their role in social integration

Special attention in the social services policy is being paid to the role of the community as an alternative to institutionalisation. Another positive development has been the increased number of private social service providers recorded in the SAA Register (by 31 December 2006 their number is 867). Consequently, enhanced measures were put in place to encourage NGOs to participate in the direct provision of services to disadvantaged people, as well as to promote partnership with the state and municipalities.

The expansion of the civil sector in the sphere of the social services started with series of legislative initiatives, creating the conditions for development of diverse social services targeting specific needs of persons or groups, who, due to a variety of restrictions, are unable to maintain an independent and efficient lifestyle.

Proceeding from the understanding that social inclusion is a process, which depends both on the institutions responsible for vulnerable society members and on those members themselves, and also on civil society, in the course of elaboration of the legislation regulating provision of social services, the conditions have been created for broad participation of structures of the civil society in the consultation and decision-making process and in policy implementation. The process involved NGOs and associations, institutions, socio-economic partners, service providers and experts in the relevant field. Consequently, some successful models for interaction between the state and the NGO sector were created proving to be a proper way for increasing their intervention capacity. Good practices are still highly insufficient, implemented in the bigger cities and towns of the country. In addition they are unequally distributed in terms of community needs.

The implementation of the measures is also hindered by the poor development of partnerships and networks for social entrepreneurship in the field of social services and social economy as a whole as well as by the insufficient awareness of the society about the problems of people in disadvantaged position.

The new option, allowing social services to be provided by NGOs, natural persons and legal entities registered in accordance with the law, presented a serious challenge in view of their capacity regarding the availability of qualified and skilled staff and the sustainability of their activities. The

activities of the service providers ensure adequate support and provision of independent life skills within the framework of existing limitations of the needy persons in family-like environment.

Despite the legislative opportunities for social inclusion and integration of people with disabilities, the Roma population and the long-term unemployed, provided in the Social Assistance Act and the Act on the Integration of People with Disabilities, many of those people, who are the object of social assistance, are put in the “grey zone” between the labour market and the social policy. These vulnerable groups still need an individual approach for the purpose of enhancing their motivation and improving the quality characteristic of their labour as well as differentiated and targeted actions towards expanding their opportunities for independent life.

Health status of the population and access to health services

Along with the social services, healthcare services also play an important role in addressing the problem of social isolation. Furthermore, easier access to healthcare services and prevention with its favourable effect on the population health status has wider impact on society as a whole and on the economy.

There are major differences in health status and access to healthcare between Bulgaria and EU. First of all, these are the indicators related to the average life expectancy and mortality rate. For example, the average life expectancy in Bulgaria (2002 – 2004) is 72.4 years (68.9 years for men and 76 years for women), which compared to the EU Member States is 6.0 years less for men and 7.3 years less for women. The comparison of situation in regard to the mortality rate is also not good. The mortality rate of children and mothers during the last fifteen years, although showing a downward trend, do not change our unenviable position with regard to the Central European countries. The achieved in 2004 mortality rate for children of 11.6‰ is considerably higher than that of the EU Member States.

Another important group of indicators, which characterise the healthcare status of the population, is related to the frequency and structure of the registered diseases. The statistics indicate that 72–75% of all registered cases of disease in the country during the recent years are due to diseases of the respiratory system, followed by disorders of the nervous system and the sensory organs, the disorders of the blood circulatory organs, traumas and poisoning and skin and subcutaneous tissue problems. The trend in the sicknesses due to malignant new formations in Bulgaria is similar to the observed in the other European countries.

The number of persons acknowledged as persons with disability, is also one of the indicators of the health status of the nation and significantly influenced the labour market and labour productivity. The long-term incapacity to work in the country increased significantly in comparison with 1995. Compared to 2004 (20.2‰), the primary disability in 2005 decreased and reached 17.5‰ for the persons over 16 and 4‰ for the children under 16. The statistics showed that in 2005 the number of persons acknowledged as disabled is 115 178.²⁸ The main reasons for disabilities among adults for 2005 are: diseases of the blood circulation organs (42.6%), diseases of the bone-muscular system and of the connecting tissue (12.8%), new formations (11.2%) and diseases of the endocrine glands, diseases resulting from inadequate nutrition and metabolism (8.7%).

The overall deterioration of the health status of the population is accompanied by certain peculiarities, which place certain groups of the population in a less favourable position. Such groups are the rural population, the population of certain border regions of the country and, most of all, the persons belonging to Roma minority community. According to a study under Phare Programme Project BG 0006.08 – “Ensuring Minority Access to Health”, aimed at measurement of the objective health status of the Roma minority, it can be observed that there is a sick person in approximately 80% of the visited Roma households in 10 towns with compact Roma population. In one fourth of the visited households, a person with a significant degree of disability (disability of 50% or more)

²⁸ Source: Ministry of Health – National Health Information Centre.

was found. The study indicates that the Roma women and children in Bulgaria comprise a special risk group with reference to the health status.

The significant collapse in the income of a large part of the population and the drop below the poverty threshold led to deterioration of the health status of this group because of inadequate nutrition, bad living conditions, reduced access to information and knowledge, as well as the decreasing opportunities to receive the required medical aid. The representatives of this group come under the group of the long-term unemployed, with low education and without qualification, etc.

Another important factor for the deterioration of the health of the population is the unhealthy lifestyle. In this case, the combination of determinants is considerable, but they all lead to a rising risk with reference to a number of disorders and thus influencing negatively their ability to work.

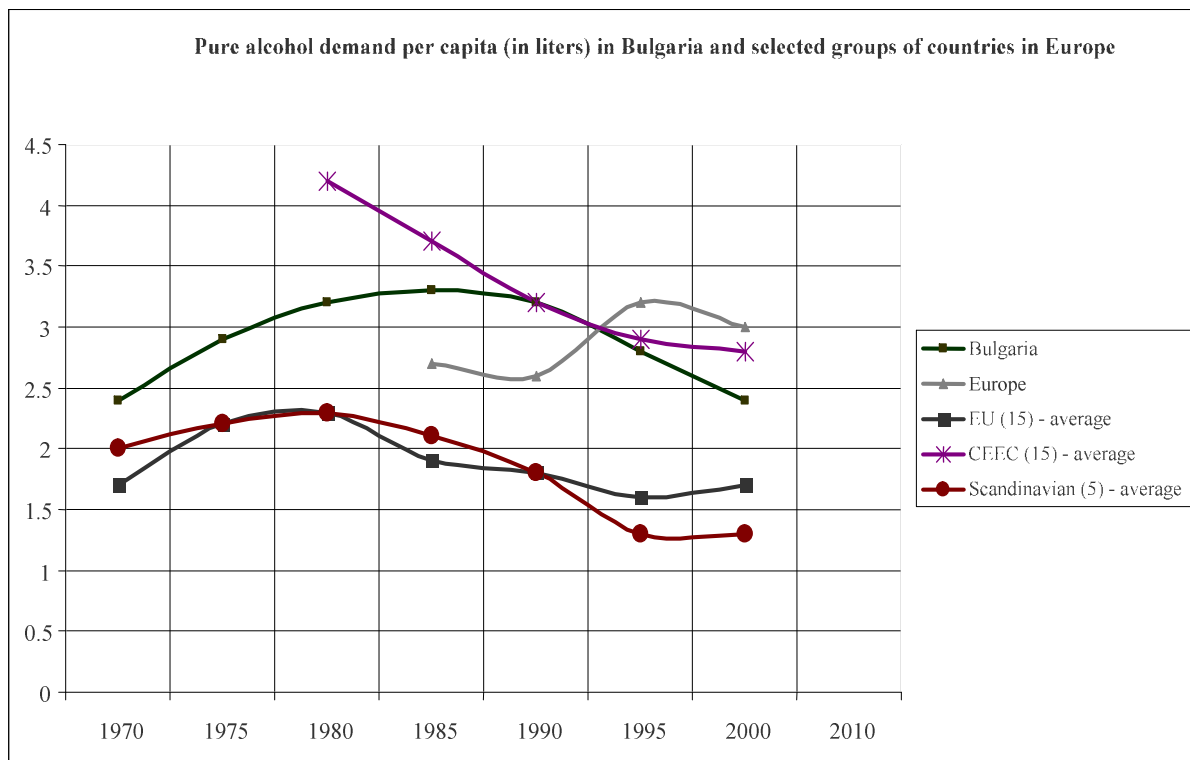
The relative share of deaths as a result of smoking constitutes 10% of all deaths for the two genders. In the age group 35-69 year olds the role of smoking is highlighted. Among males, smoking has caused 32% of all deaths, 48% of deaths as a result of malignant neoplasms, 94% of lung cancer, 78% of chronic obstructive lung diseases, 69% of other malignant neoplasms of the upper respiratory organs and the gullet, 31% of the diseases of the organs of blood circulation, etc.

Deaths due to smoking by gender and age in Bulgaria for the period 1975-2005

Age	Male	Female	Total
Age group 35-69	226 710	12 595	239 305
Age group 70+	76 339	11 960	88 299
Total	303 049	24 555	327 604

The sudden increase in the distribution and intensity of smoking among the male population in Bulgaria that belongs to the age group 35-69 conditioned the increase in the relative share of deaths due to this harmful habit for the last 3-4 decades.

According to WHO data, compared to selected groups of countries in Europe, pure alcohol demand per capita in Bulgaria exceeded the average for the Scandinavian countries and the EU countries till 1970 and went is below the average for Europe after 1993.



Source: HFA, 2004

According to expert evaluations 280-300 thousand people in Bulgaria have problems with alcohol consumption, as the level of consumption of alcohol among the young people is increasing and the age at which people start drinking alcohol has dropped by about 12.5 years.

In the past two years significant measures were undertaken towards improvement of the access to health services of the disadvantaged persons. The Health Strategy for Disadvantaged Persons from Ethnic Minorities adopted in 2005 is an integral part of the National Health Strategy and aims to accomplish higher level of health of the Bulgarian disadvantaged citizens from ethnic minority groups and to block some of the negative tendencies in the nation's health. The provision of medical services to the Bulgarian citizens beyond the scope of the mandatory health insurance expands its range of activities through amendments to the Act on Health in force from 1 January 2007 (Article 82), in particular: medical aid in emergency conditions; obstetric aid for all women without health insurance, regardless of the manner of delivery, in scope and according to procedure set forth in an ordinance of the Minister of health; inpatient psychiatric aid; provision of blood and blood products; transplantation of organs, tissues and cells; mandatory treatment and/or mandatory quarantine; expert assessments regarding the level of disability and permanent incapacity to work; payment of treatment of diseases according to a procedure set forth by the Minister of health; medical transportation according to a procedure set forth by the Minister of health. Every Bulgarian citizen uses: vaccines for mandatory immunisations and re-immunisation, vaccines according to special indications and upon extraordinary circumstances, specific serums, immunoglobulins and other bio products related to prevention of infectious diseases, as well as the technical means for their application; full range of anti-epidemic activities; access to health activities included in national, regional and municipal health programmes. The children under the age of 16 are entitled to medical aid beyond the scope of the mandatory health insurance and to free-of-charge medical and social care. The activities referred to in Article 82 are financed from the state budget and from the municipal budgets and are used according to terms and procedure set forth in an ordinance of the Minister of health. The specialized state fund established in 2006 guarantees payment for the treatment of the non-insured socially disadvantaged population groups.

It is important that the cohesion policy supports the conditions for provision of healthcare services, thereby helping to increase the number of healthy years of work. Health improvements on

community basis and preventive actions have an important role to play in reducing health inequalities.

Loss of working days because of sickness leave 1995-2005

Number	1995	2000	2005
Working days in sickness leave	21 450 927	10 616 357	15 533 356
Sickness leave days per one employed	6.93	4.94	6.70

Source: NSSI

In the light of the Bulgaria's demographic structure, ageing population and a likely decline in the labour force, it is essential that Bulgaria takes steps to increase the number of healthy years of work for members of its workforce. Investment in health promotion and disease prevention will help to maintain active participation in society for as many workers as possible, thus maintaining their economic contribution and reduction of dependency levels. This has a direct effect on productivity and competitiveness of employed people.

Social capital and social economy

Social service provision by the private and civil sectors, as well as the enhanced role of community has set off the development of the social economy sector. In the previous years, the state held the monopoly in this sector, but now the legislative, institutional and socio-economic changes have given impetus to the development of this sector. The development trends are mainly along the line of wide-range social services provision, as well as starting-up of certain social enterprises.²⁹ This process has just started and therefore serious attention should be paid to the competitiveness and sustainability of this type of services and undertakings in the environment of functioning market economy.

The advantages from the development of the social enterprises are in two directions: social and economic. The social advantages are measured with the possibilities for integration and employment of the people in disadvantaged position, the social inclusion and the accumulation of social capital. The economic advantages are expressed in the additional resource, which is generated in the social sector and decreasing the subsidies and social payments.

Social economy is a sector that puts specific emphasis on social capital (human resources and civil society) and contributes to the implementation of the national policy for equal opportunities and social inclusion.

The Act on the Integration of People with Disabilities outlines active measures for employment and professional rehabilitation of people with disabilities. Cooperatives and specialized enterprises are among the possible forms of participation in labour activities. They provide employment for people with sensory and other disabilities. Their activities are implemented through annual funding provided by the state on a project or competition basis. Despite their limited finances the specialized enterprises and cooperatives provide support to people with permanent disabilities. Beyond doubt, their activities contribute to achieving social integration through providing realization of people with specific abilities on the labour market, on the one hand, and can be considered a good practice for the development of entrepreneurship in the field of social economy, on the other. The existing enterprises and cooperatives are entered in a Register maintained by the Agency for People with Disabilities. As of now, there are 115 registered specialized enterprises and cooperatives.

²⁹ Working definition: Social enterprises pursue economic activity, which has a clearly outlined social effect with regard to the vulnerable groups, aimed at improvement of their standard of living by provision of employment and other forms of direct support for effective social inclusion.

In parallel with the opportunities envisaged in the Act on Integration of People with Disabilities, the Social Assistance Act also contains provisions for the development of social services in support of the social inclusion and social integration of people from vulnerable groups (people with disabilities, marginalized groups, ethnic minority groups and other vulnerable groups). Social services are activities aimed at supporting independent and effective life. Proceeding from the assumption that social policy should focus on skills development and investments in opportunities rather than existing limitations, a large number of social service providers have modified the forms of direct services oriented to satisfying the everyday basic needs of consumers. They have developed models for the development of social enterprises through provision of social services and labour integration services for groups and communities in a disadvantaged position. Up to now the good practice models in this direction have been established by non-governmental organizations. Despite this fact, this sector is not sufficiently developed to offer opportunities for work integration in the specialized institutions and alternative forms of services within the responsibility of the state. In this respect and because of the incompletely utilised possibility for development of private entrepreneurship, it is not possible to make an accurate estimation of its share within the overall economy of the country.

Parallel to the development of social economy, and in the conditions of market economy, there is an increasing trend for increase of the social capital in the society and its use at all levels of social and economic life. However, there are still very few volunteer and community initiatives, and the establishment of partnership networks and sustainable social and civil dialogue are unstable and still rather improvised phenomena, although in recent years there has been considerable progress in these spheres. Such 'bottom-up' initiatives are rarely started within the community. All that indicates the need for further strengthening of the civil society sector, as initiatives of this kind would affect not only the opportunities for wider and more sustainable social integration, but also such parameters like socio-economic development rate, growth rate, productivity, opening new jobs, labour market participation, etc.

Future development

The progress achieved in overcoming the challenges to the social inclusion policy in Bulgaria clearly shows the necessity for mobilising all policies and interested parties for its implementation. With regard to the achievement of long-lasting and sustainable effect of the results in overcoming the social exclusion, it is necessary to strengthen the link between the active labour market policy, the policy aimed at increasing the standard of living and the income of the people, and the social assistance policy mainly. The permanent integration of the vulnerable groups into the labour market will contribute not only to reduction of the burden on the social assistance system, but will also allow the elaboration of distinctively new attitude. On the other hand, the reallocation of resources from passive protection to the development of social services will create entirely new conditions for the integration of the vulnerable groups in all areas of the social life. Thus, the social protection and social inclusion system will contribute at its best to achievement of the goals of the Lisbon strategy for economic growth and more and better jobs.

The analyses performed provide the basis for summarising the following areas in the field of social inclusion. Primary emphasis is put on creating conditions for the development and use of social capital through stimulating community initiatives aimed at establishing partnerships and networks and strengthening social and civil dialogue. Serious attention has to be paid to the further development of the social assistance system so that it can provide more targeted and differentiated protection for those people who neither alone, nor with the help of their relatives, are in the condition to satisfy their basic human needs. Financial resources for achieving protection of full value may be allocated through applying an individual approach to the assessment of opportunities for labour realization of people in working age who for years now have been within the scope of the social assistance system. The support for this category of people has to be linked to the maximum extent to the development of a network of educational services and services for realization on the labour market. The policy of transition from passive measures for social assistance that has been

implemented for the last several years should continue through the development of active programs and measures aimed at overcoming social isolation, as well as at preserving, developing and utilizing the potential of individuals.

Deinstitutionalizing social services and bringing them closer to the normal family environment is one of the priorities of the policy for provision of social services and the implementation of this policy should continue through expanding the territorial scope, improving the quality and variety of social and health services within the community.

Expanding the scope of preventive measures for improving the health status of the population and especially among vulnerable groups is a priority field because the implementation of those measures will provide opportunities for increasing the working capacity and enhancing the working life of the population.

1.6. LABOUR MARKET, EDUCATION, SOCIAL AND HEALTHCARE SERVICES' SYSTEMS

Labour market

The state policy in the field of employment is determined by the Council of Ministers. It is developed, coordinated and implemented by the minister of labour and social policy.

The Employment Agency is established under the minister of labour and social policy for implementation of the state policy of employment promotion, labour market protection, vocational information and counselling, vocational and motivational training of unemployed and employed persons, as well as for provision of job placement intermediation services.

The state policy at the regional and local level is implemented by the district administrations, the bodies of local self-government jointly with the territorial units of the EA, the territorial units of ministries, organizations and the socio-economic partners.

The state implements the employment policy in cooperation and after consultation with the representative employers' and workers' and employees' organizations, and with representatives of other non-profit legal entities.

A National Employment Promotion Council is established under the minister of labour and social policy as a standing body for cooperation and consultation in the development of the employment policy. The Council consists of an equal number of representatives of the Council of Ministers and the nationally representative employers' and workers' and employees' organizations. Representatives of other non-profit legal entities may be invited to attend the sessions of the Council as well.

The work of the Executive Director of the EA is assisted by a Council consisting of representatives of the nationally representative organizations of employers and of workers and employees.

The Employment Promotion Act regulates the establishment of Employment Committees with the District Regional Development Councils and Cooperation Councils with the "Labour Office" Directorates. The Employment Committees include representatives of the district administration and the municipalities within the territory of the district, the territorial units of the EA, the territorial units of ministries and other state institutions, the district structures of the representative employers' and workers' and employees' organizations, non-profit legal entities in the region whose scope of activity is related to the issues of employment and training for acquiring vocational qualification. The Employment Committees determine the regional employment promotion policy in compliance with the state policy and the National Action Plan on Employment; they exercise monitoring and control over the implementation of the regional employment policy. The Cooperation Councils exercise direct monitoring and supervision over the employment policy implemented on the territory of the respective "Labour Office" Directorate. The Cooperation Councils are also established on a tripartite principle.

MLSP jointly with the other ministries and the socio-economic partners elaborates annually a National Action Plan on Employment. This Action Plan determines the actions for the implementation of the state

policy of employment promotion, labour market protection, vocational information and counselling, vocational and motivational training of unemployed and employed persons as well as for the provision of job placement intermediation services. The National Action Plan on Employment also determines the type of stimuli and their sizes – both for the employers and for the participants in employment and training. The employment bodies and the socio-economic partners present annually to the minister of labour and social policy projects related to the priorities of the employment promotion policy to be included in the National Action Plan on Employment.

The National Action Plan on Employment for 2007 is developed in accordance with “Employment and Education” Chapter of the National Reform Program. It outlines Bulgaria’s employment policy priorities in the context of the country’s full-fledged membership in the EU from 1 January 2007 and the country’s involvement in the achievement of the objectives of the European Employment Strategy.

The labour market policy is implemented by the Employment Agency which, in structural terms, comprises headquarters and regional structural units: 9 “Regional Employment Service” Directorates and 109 “Labour Office” Directorates. In order to facilitate provision of services to job seekers and employers the Agency opened 180 branches within the framework of most of the “Labour Office” Directorates.

Structures of the Employment agency	Staffing numbers
Headquarters	239
9 “Regional Employment Service” Directorates	217
109 “Labour Office” Directorates	2 369
Total number of staff at the central and regional structural units	2 825

The central administration and the territorial units of “Labour Office” Directorates and “Regional Employment Services” Directorates with the EA currently have 2 825 employees. In the central administration of the EA, a Staff Qualification Department has been functioning since 2004. It develops main guidelines, investigates, analyses and summarizes the training needs and prepares an annual plan for mandatory and specialized training of the Agency staff. In addition, it is the task of this department to provide conditions for the professional and official development of the staff and to organize staff training. The specialized training of the staff is provided by the Institute for Public Administration and European Integration following orders for training of the staff after establishment of the needs. In the case of introduction of new models of operation, staff is also trained by external lecturers within the framework of technical assistance. The 2003-2006 period saw training courses in more than 80 subjects in which more than 10 000 members of the staff were included.

The ratio of employment mediators and job-seekers through the services of the Agency stands at 1/435, while the ratio to the number of registered unemployed in the country stands at 1/429. In 2006 as a result of their work, 20 316 unemployed young people aged up to 24 - or about 48% of the total number of 42 610 young people registered at “Labour Office” Directorates over the period - were provided with employment or underwent vocational training in the first six months following registration. Of those youths included in training courses or employment, a total of 8 860 found job in the primary labour market, while 6 381 were provided with employment under programmes and measures provided by the Employment Promotion Act. Qualification courses with a view to improving chances for sustainable employment included 4 488 unemployed young people up to 24, 957 of whom (21.3%) found job after training. Motivation training included 587 unemployed young people, up to 24 years, of whom 181 persons (30.8%) started work or vocational qualification training.

Active assistance has been provided to 98 572 unemployed above the age of 25 (31.4% of all registered unemployed above 25) through involvement in vocational qualification courses, motivation or employment within a period of 12 months after registration at the Labour Offices.

Two-thirds of them started work on the primary labour market through the mediation of the Labour Offices. “New Start” (involvement in a course or employment) has also been provided to 72 636 long-term unemployed, which constitute 35.6% of the long-term unemployed persons.

The limit of sufficient and quality services in the conditions of the existing ratio in terms of number of employment intermediaries and clients of the “Labour Office” Directorates has been reached as regards the services provided to job-seekers – employment mediators work under considerable pressure. An additional increase in the number of clients at equal other conditions would lead to a change in the ratio and from there – to a deterioration of the quality of service on the basis of reduced time allocated to each client and the impossibility to take into account his/her possible specific needs. As regards inactive persons, official statistics does not give detailed information about their number, but it is comparable to the number of registered unemployed. As a result of the quality of inactive persons as potential clients of the “Labour Office” Directorates, the load on employment intermediaries will generate a situation where it will be impossible to respond to the needs of the persons seeking services at the Labour Offices.

In the beginning of 2004, the one-stop-shop service model was introduced aiming at improvement of the quality of services provided to the clients (job seekers and employers), at improving the achieved until now effectiveness indicators, at promotion of the mediation (job-brokering) services for job search and reaching the European standards in providing employment services. Currently, 28 “Labour Office” Directorates are applying the principle for one-stop-shop service. During the next years this model of providing services to citizens will be introduced in the remaining “Labour Office” Directorates. For the purpose of successfully introducing the one-stop-shop model, specialized training for the staff of “Labour Office” Directorates has to be delivered.

Working conditions

The minister of labour and social policy elaborates, coordinates and implements the state policy with respect to the provision of safe and healthy working conditions.

The Safety and Health at Work Act regulates the rights and obligations of the State, the employers, the workers and employees and of other organizations and legal entities with respect to the provision of safe and healthy working conditions.

The occupational safety and health policy is defined and implemented after co-ordination within standing or temporary structures of the tripartite collaboration at national, branch and regional level – National Council for Working Conditions, Sectoral and Branch Councils for Working Conditions, and Regional (district and municipal) Councils for Working Conditions.

The National Working Conditions Council is a standing body at a national level entitled to coordinate, consult and integrate the efforts in the process of developing and implementing the policy for ensuring safe and healthy working conditions.

The Sectoral and Branch Councils on Working Conditions consist of representatives of the national sectoral and branch representative organizations of employers, workers and employees, and of equal number of representatives of the respective ministries or governmental agencies.

The regional (district or municipal) Councils on Working Conditions consist of representatives of the existing regional unions or organizations of the representative organizations of workers, employees and employers and of equal number of representatives of the district administration or the bodies of local self-government.

An integral part of the policy for ensuring occupational safety and health is the pursuit of thorough control over the observance of labour legislation – performed by the “General Labour Inspectorate” Executive Agency. The General Labour Inspectorate is organised into general and specialised administration. The specialised administration comprises units of territorial competence – 28 “District Labour Inspectorate” Directorates.

General Labour Inspectorate EA structures	Staffing numbers
General Administration	35
Specialised Administration	513
incl.:	
“Safe and Healthy Working Conditions” Directorate	27
“Legal” Directorate	12
“District Labour Inspectorate” Directorates	484
Total number of employees	558

A Working Conditions Fund has been instituted under the minister of labour and social policy by virtue of the Safety and Health at Work Act. The Fund operates to finance and co-finance projects and programmes aimed at improvement of the working conditions with specific practical focus and applicability of the results, including at the enterprise level. The Fund is governed by a Managing Board set up on tripartite principle – representatives of the state, of the employers’ organizations and of the trade unions.

An infrastructure of units supporting the employers in the implementation of their obligations for ensuring safety and health at work has been set up. It consists of external institutions and organizations to the enterprises which, however, provide services in the field of healthcare for the workers and employees (occupational medicine services), of specialized measurements (accredited laboratories), of training and vocational qualification (vocational training and qualification centres), of certification, fire precaution, etc.

According to the statistics, occupational injuries were at their lowest for the last 10 years. Favourable as these data are, they are also binding for pooling up the efforts and for effective partnership in resolving the problems of safety and health at work and for developing a culture of protection and prevention of the occupational and health risks.

An integral part of the preventive policy is the strengthening of the systems for provision of information, training and qualification of the workforce.

It is necessary to set up of a National Centre for Safety and Health at Work intended to collect, summarise and disseminate information adapted to the contemporary development of science, technologies and practice, and to engage in surveys, analyses and forecasts. The availability of an administrative structure with scientific research and applied functions will be critical for implementation of policies corresponding to the social and economic development of the country, to the changes in the industrial relations, and for establishment of the necessary culture of prevention in all participants in the labour process. It will make possible suggestion of practical solutions and will promote the training and qualification initiatives that meet the challenges and needs of the labour market.

Despite the observed trend that an increasing number of enterprises actually fulfil their obligations for ensuring safety and health at work for their employees, the economic and social changes give rise to new challenges, both to the employers and to the entire safety and health at work system.

Setting up a unified national information system in the domain of safety and health at work is of prime importance for the pursuance of an effective policy and for the implementation of relevant measures aimed at the improvement of working conditions and protection of workers. The required information system should provide reliable information about the enterprises, acknowledging the character of their activity, occupational risks, the level and dynamics of injuries, etc.

Establishment of a uniform standard for safety and health at work will enable the development of further harmonized standards for the different economic sectors.

Strengthening the capacity of the entire system for ensuring safe and healthy working conditions will enhance the quality and effectiveness of work and will result in real protection of the workforce. It is necessary to develop the capacity of the General Labour Inspectorate EA, the occupational medicine services, the social partners, as well as of all specialized structures and units working for ensuring the safe and healthy working conditions, in order to guarantee the effective application of the safety and health at work policies.

Education and science

The Ministry of Education and Science is the institution responsible for the implementation of the state policy in the field of education and science. It allocates and controls the spending of financial resources for the education and science provided from the state budget, and administers and coordinates the elaboration of models for management, structure, control and resource provision of the system for public education, higher education and science.

The elaboration and implementation of the national programmes for development of the secondary and higher education and programmes for qualification and retraining of teachers are within the competencies of the MES. The Ministry also coordinates the implementation of the national programmes and projects for scientific research and development of the scientific potential in line with the tendencies in the advancement of science locally and abroad. The Ministry's powers include organization and coordination of programmes and projects in the field of education and science financed by international and foreign organizations and financial institutions. MES administers, organizes and coordinates the introduction and functioning of the information technologies in education and science.

The Ministry of Education and Science participates in the implementation of the social policy in respect of the employment issues, income level and gymnastics and sports within the range of its competencies.

On central level the policy and actions in the field of education and training are implemented through the Ministry and its specialized administration, as well as through the second-line spending units for its budget. On regional level MES is supported by the 28 Regional Inspectorates of Education which are territorial administrations affiliated to the minister of education and science for management and control of the public education system. On municipal level the activity is coordinated by the municipal departments for education and culture.

Structural units of MES	Number of structures	Employed in the relevant field
Specialized administration	15 Directorates	421 staff on payroll at the organizational structures of MES
General administration	4 Directorates	
Regional structures	28 RIE	740
Administrations which are second-line budget spending units	NAVET	24
	NEAA	46
	NACID	50
Educational institutions network		
Schools within the system of general education	2654 general education and special schools	58 005 teachers in general education schools; 2 083 teachers in special schools
Institutions within the system of vocational education and training	506 vocational gymnasiums 155 vocational training centres	19 064 teachers
Higher schools	51	23 436 ³⁰ lecturers in state and

³⁰ According to NSI data for 2006

Structural units of MES	Number of structures	Employed in the relevant field
		private colleges, higher and specialized higher schools
Scientific institutions	76	21 604 scientific workers ³¹

The Ministry of Education and Science has established structures at national and regional level. Nevertheless the difficulties with personnel can be pointed out – high age limit of the human resources in the educational system, problems when attracting and keeping young specialists both at administrative, and pedagogical and scientific level. The modernization of the national policies in the area of education and state administration aims at creating suitable environment for attracting, motivation and career development of employed in the areas mentioned.

Social services

State policy in the area of social assistance, including the social services, is determined by the Council of Ministers. Under the Social Assistance Act, the state policy in this field is carried out in cooperation with the district administrations, local self-government authorities, and the non-profit legal entities engaged in work for the public benefit.

To implement the state policy in the area of social assistance, a Social Assistance Agency (SAA) has been set with the Minister of Labour and Social Policy. Via the structures of its *specialised administration on central, district and municipal level*, SAA coordinates, assists and provides operative and methodological guidance in delivering social assistance. Its fields of work cover several major groups: *social assistance benefits, social services and protection of children*.

The legislative changes in 2003 introduced decentralised management of the social services, thus creating preconditions for the promotion of social entrepreneurship. They opened up opportunities for the physical persons registered under the Commercial Act and for the legal entities to provide social services as providers of equal standing.

SAA is one of the main participants in the process of deinstitutionalisation and reform of the system for provision of social services in the specialised institutions for elderly people, children and adults with disabilities. The main functions of the administration in the area of social services are related to methodological guidance, control, keeping a Register of the social services providers, and training. Placement in specialised institutions and granting access to community-based social services financed from the state budget is done through its territorial structures. The most recent changes in the Rules of Procedure of SAA (amend. SG No. 74 of 8 September 2006) have made it possible for the administration to get as close as possible to the real needs of the people with specific abilities and to guarantee higher-quality and more effective services. At the 147 Social Assistance Directorates have been set up “People with Disabilities and Social Services” sectors staffed with about 500 social workers.

Structures of the Social Assistance Agency	Staff numbers
Central Administration (Headquarters)	218
Regional Social Assistance Directorates – 28	289
Social Assistance Directorates – 148	5 154
Total number of employees in the central and regional structures	5 661

³¹ According to NSI data for 2003.

6 532 specialists and auxiliary personnel work in the specialised institutions for children and adults, placed under the competence of the MLSP for methodological support and supervision. The community-based social services (government responsibility) are staffed with 1 309 employees (see Annex 3).

Creation of successful social service models is tied up to the establishment of a system for continuous upgrading of professional qualification and personal motivation of the human resources engaged in the provision of these services. The mechanisms for enhancement of professional knowledge and skills of the personnel engaged in the area of social services are not developed sufficiently well.

The functioning of a modern social services network is tied up to the improvement of interaction between the institutions, social services providers and their target groups. The present mechanism for interaction, exchange of information and effective partnership in the area of social services in the country still fails to guarantee effectiveness and sustainability of the obtained results.

The extension and reform of the system for the provision of social services in recent years has increased the number of people employed in that field. Over 17 000 personal and social assistants are employed yearly under the various national programmes for provision of social services.

The outlined trend of increasing activity on the part of social services providers gives rise to expectations of a greater coverage, higher quality and diversification of services for the different groups at risk of social exclusion and, respectively, of increasing the numbers of the employed in that sphere.

In spite of the success achieved in the process of modernisation of the system, efforts for achievement of a higher quality of the social services and their bringing up close to family environment are still needed. The implementation of these measures is related to active participation of the whole society, continuous qualification and motivation of the staff, engaged in this sphere and creation of flexible and functioning system for monitoring, control and assessment of the provision of social services.

Healthcare services

The Ministry of Health (MH) is in charge of the development and implementation of the national healthcare policy, defines the targets and priorities of the healthcare system, evolves the national healthcare programmes for improvement of the health status of the population and develops draft bills in the healthcare sector. The Ministry is responsible for the overall supervision of the healthcare system, which since 1995 has been also managed by the regional structures. MH local structures in the 28 administrative districts comprise 28 District Healthcare Centres and 28 District Inspectorates for Public Health Protection and Control, which help pursue the national health policy on regional level.

The healthcare system in Bulgaria was strongly centralised, but after 1991 underwent certain decentralisation. In the first place, after 1992 ownership of most health establishments was transferred to the elected local municipal authorities. By virtue of the amendments and addenda to the Public Health Act of 1997, the health establishments could operate as independent legal entities. Second, in 1995 MH transferred most of its administrative functions to the 28 District Healthcare Centres, thus simplifying the management structure. Third, an intensive privatisation of pharmacies and doctor's practices has been carried out. Furthermore, after 1991 the monopolistic State Pharmaceutical Company was transformed into 28 independent companies on a geographical principle. MH retained centralised control over the health establishments with national and district functions.

Under the Doctors and Dentists Professional Organisations Act, these professional organizations have been delegated the responsibilities for standards control. They are responsible for the observance of professional ethics, rules of the good medical practice and for the continuous

professional qualification of medical specialists. They also participate in the development of the National Framework Agreement under the 1998 Health Insurance Act, regarded as the key financial mechanism for funding of medical aid in Bulgaria.

Since July 2000, the health insurance system has provided an opportunity for decentralisation of management by means of agreement-signing between the District Health Insurance Funds and healthcare providers. Furthermore, the health establishments have gained financial and managerial independence under the 1999 Health Establishments Act, which reorganised the system of healthcare provision.

Presently, the Ministry is in charge of the National Scientific Research Centres for infectious and parasitic diseases, for public healthcare, for health information, for radiobiology and radiation protection. The healthcare establishments for highly specialized medical aid with national functions comprise 19 hospitals with the higher medical schools and four National Specialised Hospitals.

MH runs and manages 25 multi-profile hospitals for active treatment with regional scope, specialized hospitals, including 12 psychiatric hospitals, 48 dispensaries, and 32 homes for medical and social care of children below the age of 3. Furthermore, the Ministry is in charge of the Executive Agency for Pharmaceuticals, which registers medical drugs and products and controls the national market of pharmaceuticals, and the Executive Agency for Transplantations.

MH manages directly 28 Emergency Medical Aid Centres across the country providing emergency medical aid to the population, as well as the National Centre, Regional Centres and Departments of Haematology and Blood Transfusion.

MH coordinates its work with other ministries, with the National Health Insurance Fund, the Union of Medical Doctors, the Union of Dentists, and the Union of Pharmacists in Bulgaria.

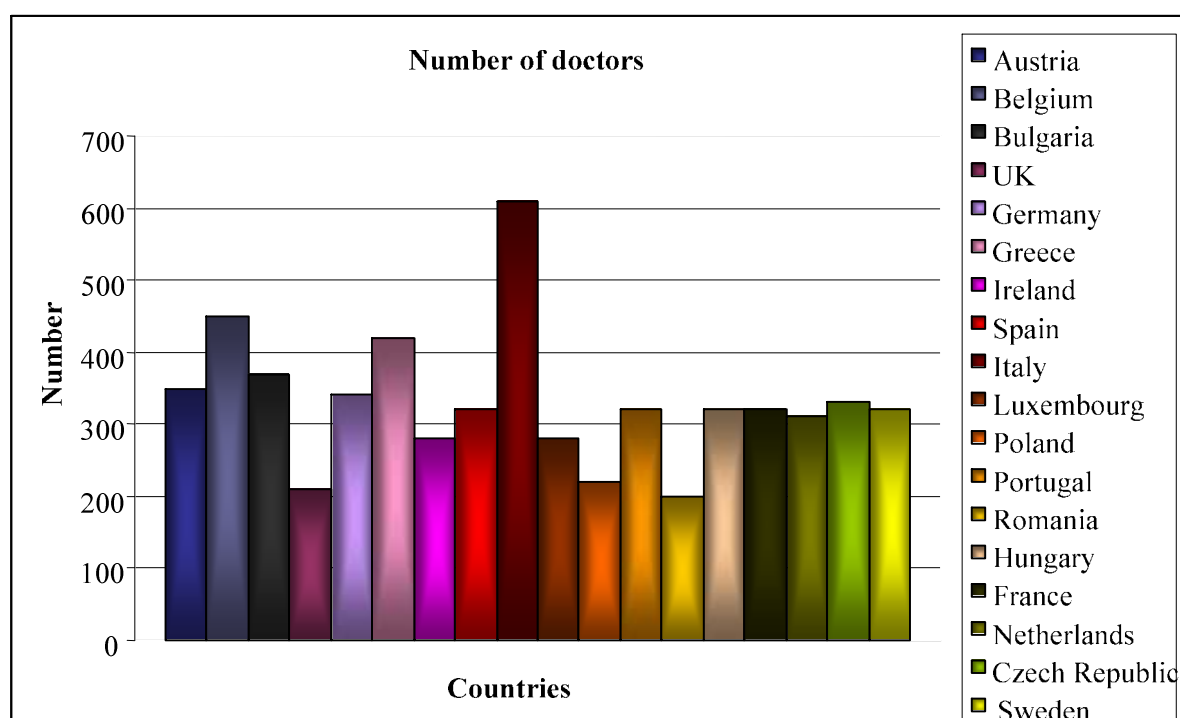
The most populated regions have at their disposal the biggest number of doctors per capita. The number of nurses is declining drastically – by 47% from 1990 to 2004. The resource of nurses in 2004 is two times lower compared to the same indicator in EU. The ratio between nurses and doctors given in number of nurses per one doctor in Bulgaria in 2004 was 1.00:1.00. The same indicator in EU is higher 2.26:1.00. There is a serious decrease in the number of the practitioners working in the following areas: anaesthesiology, intensive treatment, paediatrics, nephrology, gynaecology, otorhinolaryngology, psychiatry, x-rays, clinic laboratory, emergency and infection illnesses. The number of college graduate medical personnel is decreasing. There is a fluctuation of medical personnel in emergency wards. In the recent years the enrolment of students in subject “Medicine” drops, which along with the expected emigration may bring the situation to shortage of medical experts. It is expected also that the number of nurses will be insufficient, same as the trend in EU. The existing uneven territorial allocation of medical professionals in Bulgaria and the imbalance in the ratio of practitioners and that of nurses entail the need for improvement of the system for planning, selection, training and regulating the medical personnel and also the introduction of mechanisms for keeping the Bulgarian nationals who have gained their medical education in Bulgaria through improving their professional qualification and continuous training, as well as through promoting the scientific research and introducing innovative practices.

Medical personnel

	1980	1990	2000	2004	2005
Number per 10 000 population capita					
Doctors	24.6	32.9	33.8	35.3	36.5
Dentists	5.4	7.0	8.3	8.4	8.4
Pharmacists	4.1	5.0	1.3	0.5	0.5
Personnel with secondary medical education and holding a degree "Specialist"	87.3	102.0	61.2	59.3	61.7
Population per:					
one doctor	407.0	304.0	296.0	283.0	274.0
one dentist	1834.0	1419.0	1202.0	1196.0	1189.0

According to NSI data

Number of doctors per 100 000 population capita in EU Member States*



* Source: National Health Information Centre, Ministry of Health 2005

1.7. POLICIES IN THE FIELD OF HUMAN RESOURCES

Labour market policy

The basic legislative and programming documents determining the policy in the field of the labour market in Bulgaria are the Employment Strategy 2004 – 2010, the Employment Promotion Act and the National Action Plan on Employment (drawn on an annual basis). The documents are elaborated and implemented according to the specific needs of the national labour market and are in full conformity with the European Employment Strategy.

Within the framework of the active labour market policy various and well targeted (differentiated) measures and programmes are used to increase employability, to foster entrepreneurship, to promote the adaptability of employed persons and the business, to strengthen the policies for equal

opportunities. Such are measures and programmes of national or regional (municipal) relevance, as well as programmes aimed at specific needs of the persons on the labour market.

Active labour market policy for the period 2003-2007*						
		2003	2004	2005	2006	2007
Persons involved in employment	number	143 269	165 468	162 626	138 708	82 287
Persons received training	number	51 091	47 119	39 090	47 376	31 422

* Source: Employment Agency, Data for the period 2003-2006 are encountered. Data for 2007 are from the National Action Plan on Employment for 2007.

A reduction of the number of persons involved in employment and training has been observed in the last few years. According to Eurostat data (see Annex 4) the bulk of the funds for labour market policy are used for direct creation of jobs. Nevertheless, 2005 witnessed a positive trend from the point of view of the costs for active labour market measures, in terms of reduction of the costs for direct creation of jobs and for employment promotion. There is an unfavorable trend of reduction of share of funds aimed to finance measures encouraging business start up. There is also an unfavorable trend as regards the reduction of the number of persons included in training, with the share of employed in the aggregate number continuing to be relatively low.

Nonetheless a significant progress was achieved in a number of areas of implementation of the European Employment Strategy.

The opportunities for fostering entrepreneurship were extended by facilitating the access to start-up capital and to grants for entrepreneurs-start ups, establishment of a national network of business centres, implementation of measures and programmes supporting self-employment, enrolment in training for acquisition of managerial knowledge and skills, and provision of wide range of information, technical and consultancy services.

A considerable progress has been achieved in regard to provision of training for professional qualification of registered unemployed persons, training of employed persons, literacy courses, motivation, professional information and consultation. The access to training has improved; the opportunities of the private providers of training and professional qualification have increased. The quality of the offered education and training is being improved in order to reduce the gap between demand and supply of workforce with specific qualification. With a view to improve access to vocational training of unemployed without education or qualification, young people and people with disabilities, a Selection Methodology for inclusion of unemployed in training for acquisition of vocational qualification, organized by the Employment Agency, was introduced. The methodology provides for better correspondence of vocational training by occupations with the individual needs of the unemployed. To boost the quality, effectiveness and efficiency of vocational training financed with funds for the active labour market policy, a new Methodology of Evaluation of the proposals for training for acquisition of vocational qualification, organized and financed by the Employment Agency, has been applied since March 2007. New, higher requirements towards training institutions are introduced, as well as to the quality of training programmes and the methods of adult training, with a view to provide knowledge and skills in unemployed that would improve their employability and assist their advancement on the labour market.

The approach to work based on the “life cycle” is encouraged for promotion of the activity and adaptability of the workforce during the different stages of the working life. In this regard, the measures for better reconciliation of the professional and personal life, the creation of employment opportunities for the young people and the promotion of the participation in employment and longer working life of the older-aged people are of utmost importance.

The main objective of the National Programme “From Social Assistance to Employment” is to provide employment and social integration for unemployed persons who receive monthly social assistance benefits through opening jobs in the field of generally beneficial activities, agriculture or the processing of agricultural produce, as well as activities in the basic production of enterprises without state and/or municipal shareholding. Participation in the Programme leads to increasing the employability of the persons through their involvement in activities leading to increased skills and qualification. As regards the scope of the Programme, changes were made over the years according to the situation on the labour market. For the 2003 – 2006 period, the number of those who worked under the Programme dropped by 40% (from 79 439 to 47 572). In 2005 an interim evaluation was conducted, which identified the main positive and negative effects of its implementation.

The positive effects established were as follows:

- the Programme provides employment to a considerable group of unemployed who otherwise would have remained such for a considerable period of time;
- participation in the Programme halves the period of unemployment, thereby preventing the emergence of negative consequences at an individual level;
- compared to the position of members of the control group, that of the participants has improved in nearly all social dimensions considered in the study;
- in spite of the fact that the Programme includes unemployed without or with low qualification, 8% of them remained employed at the primary labour market (at non-subsidized jobs) and this share increases annually;
- there is a considerable part of employers who take into account the fact that the Programme provides opportunities for the private sector to expand its activity.

The main negative effect of the Programme is the comparatively low relative share of persons who are trained by employers, both before they start work and in the course of implementing a concrete activity.

There is an improvement of the legislation for actions encouraging the adaptability of workers and business through training, encouragement of territorial mobility within the EU and active conduct on the labour market, as well as improvement of access to job-broking services for job-seekers. The free movement of workers within the Community was implemented in practice by the latest amendments to the Employment Promotion Act, which also equalized the regime of registration of citizens from EU member-states and that of Bulgarian citizens. A new promotion measure has been introduced for unemployed, subjects of monthly social assistance, who look for and start work on their own. Persons who start work without the mediation of the EA, who have been registered as unemployed at its territorial divisions and have received monthly social assistance benefits, are paid sums for every month in which they are employed, but not for more than 12 months. The measure creates conditions for an active conduct on the labour market and constitutes a stimulus for new employment. The provision of the ILO Private Employment Agencies Convention No 181 pertaining to the provision of job-broking services for job-seekers or who have started work has been transposed. Free provision of these services has been introduced – without direct or indirect, full or partial collection of fees or other payments on the part of job-seekers or employed.

The social and civil dialogue is being developed by increasing the opportunities of the social partners to influence the employment policy by broadening their participation in the social dialogue and establishment of functional inter-institutional relations between the partners on the labour market. As part of the consistent income policy as of 1 July 2007 the Ordinance on the Organization and Structure of Salaries has been enforced. It improves the statutory basis in the case of the remuneration structure by individual and collective employment contracts, the minimum amounts of additional labour remunerations, the scope of the systems of labour remuneration and the factors forming the amount of the salary in the case of individual and collective employment contracts.

A trilateral Pact of Economic and Social Development of Bulgaria until the end of 2009 was concluded in September 2006, and part of the agreements achieved in the field of income from labour provides for the social partners to conclude annually a National Agreement on the recommended index of the growth of salaries in the real economy sector. During the process of collective labour bargaining the agreement could be transposed on sectoral and branch level. In turn, the Government is obligated to align legislation in this field with these agreements, the statutory amendments being coordinated with the social partners.

In order to enhance the effectiveness of the policy pursued in the labour market, it will be necessary to undertake action in the followings fields:

- To facilitate the access to job-broking services in order to attract the inactive persons to the labour market;
- To tie up vocational qualification training and retraining to subsequent employment, aiming at integration at the primary labour market;
- To set up a unified information system to cater to the demands for specifically qualified workforce by regions and economic activities, in order to enhance the effectiveness of provided training.

Policy in the field of safety and health at work

Safety and health at work is one of the main priorities of the social policy in Bulgaria. It is focused at safeguarding the health, working capacity and life of employees.

The policy in the field of occupational safety and health in Bulgaria is being implemented in accordance with the Guidelines for Development of the Activities in the Field of Safety and Health at Work for the period till 2006, adopted by Council of Ministers in 2002. These guidelines are harmonised with the accents of the EU Strategy for Safety and Health at Work for the period 2002-2006.

The active policy provides for concomitant actions in all directions: competitiveness of employers, good quality of living and working conditions, training and culture of prevention. Implementation of targeted social policy and attainment of good quality in safety and health at work is a sophisticated process combining legislative, organisational-economic, social, technical and health targeted measures. The aim is to improve the quality of any kind of labour and lasting improvement of all elements of this definition and giving an opportunity for long and productive life of working people.

In the implementation of the planned measures for safety and health at work, progress has been made along the following major lines:

A system of norms, concrete requirements and obligations has been set for ensuring safety and health at work, which actually forms a basis for the implementation of principles of the Single European Market.

Regulated are the minimum requirements to be fulfilled by the employers in ensuring safety and health at work of their workers and employees. A basis has been set for management and planning of the activities for ensuring safety and health at work based on the assessment of professional risks. Medical monitoring of the workers and employees is obligatory, as well as provision of the necessary information and relevant training in line with the character of the implemented work and qualification of the employed.

The major requirements of the EU and of the ILO for establishment of uniform state control have been introduced. The integral control of the observance of labour legislation is carried out by the “General Labour Inspectorate” EA with the Minister of Labour and Social Policy.

The national policy for ensuring safety and health at work is formed and carried out on the basis of tripartite cooperation on national, sectoral and regional level.

In the last several years, the efforts have been aimed at supporting and ensuring the correct implementation of national legislation. The objective is to ensure consistent, sustainable and smooth reduction of the injuries at work and occupational diseases down to an economically justifiable and socially acceptable level commensurate with the one of the EU Member States.

The challenges faced by the Government, social partners - employers and employees, relate to implementation of activities for ensuring welfare at work. This is an approach oriented towards ensuring average physical, moral and social welfare of the employed via:

- Introduction of systems for management of safety and health at work and management of the working process – ensuring efficient organization of work, workplaces and work equipment by taking in consideration the changes in the world of labour, technical progress and occurrence of new risks;
- Increase in the employment and income of the employed;
- Resolving the issues and social integration of people with lost capacity to work as a result of occupational activities; improvement of the occupational (health) status of the labour force through measures for reinforcement of the health and working capacity of employees in relation to the work they perform – introduction of instruments for management and control of the occupational risks;
- Prevention of the occupational and social risks, including stress, anxiety at work, depression, risks associated with addictions to alcohol, drugs and medications and undertaking appropriate measures;
- Improvement of the quality and scope of control over observance of labour legislation;
- Refining the system for training and provision of information;
- Access to high-quality and reasonably-priced external prevention services;
- Development and improvement of the different forms of social dialogue.

Policy in the field of education, training and science

The policy in the field of education and training is determined by socio-economic priorities, the specifics of transition to a market economy, the status of the education system in Bulgaria and the requirements related to Bulgaria's membership in the EU.

The guaranteed equal access of children to high-quality of education and training in view of productive social advancement is one of the key commitments of the Ministry of Education and Science. In the past five years active work has been carried out for modernization of education in secondary schools. With the National Programme for Development of School Education and Pre-school Upbringing and Preparation (2006-2015) adopted in 2006 the educative-upbringing process at school extends from first till twelfth grade. Since 2003-2004 is applied mandatory preparation one year before admission to the first grade. Elaborated are new curriculum, new syllabi and new textbooks which gradually come in effect. Their introduction aims at overcoming certain shortcomings – contextual overloading, poor synchrony between the allocation of the teaching time and the volume of training content for the respective general education subjects, orientation of the system towards memorization and reproduction rather than towards provoking thinking, autonomy and formation of skills.

Other programming documents guiding the policy in the field of education are: National Strategy for Continuing Vocational Training for the period 2005-2010, National Strategy for Introduction of Information and Communication Technologies, National Strategy for Scientific Research, Employment Strategy 2004-2010, National Report “Education and Training 2010 in the Context of the Lisbon Strategy”.

In implementation of the programme documents in the field of education progress has been achieved in the following important directions:

With the aim to retain all pupils at school till the age of 16, a requirement is laid down in the programme of the MES, which is constitutionally binding with the compulsory education to a certain grade. Precautionary measures have been taken against dropping out of the pupils, as well as measures for reintegration of the drop-out pupils. Such measures are: free access to educational content in the period of compulsory education, free breakfast for children from primary stage of the basic level of education, provision of financial support for purchasing clothes, expanding out-of-school activities and activities related to the pupils' fields of interest.

For ensuring equal access and equal start, a number of measures have been undertaken in the field of social policy, relating to the adoption of political documents and to granting of social assistance benefits and scholarships.

In the field of integration of children from ethnic minority groups, a Strategy for the Educational Integration of Children and Pupils from Ethnic Minorities has been adopted, approved by the Minister of Education and Science in June 2004. Its major priority is the comprehensive integration of the Roma children and pupils by desegregation of the kindergartens and schools in the differentiated Roma neighbourhoods, and creation of conditions for equal access to quality education outside these neighbourhoods. The position of Assistant Teacher has been also introduced in a number of schools.

Key priority of the National action plan for implementation of the Strategy for Educational Integration of Pupils and Children from the Ethnic Minorities is the productive integration of Roma children in ethnically mixed groups at kindergartens and of Roma pupils in classes of mixed ethnic composition at (host) schools outside the Roma neighbourhoods.

For the children with special education needs the following strategic documents have been developed and adopted: National Programme for Development of School Education and Pre-School Upbringing and Preparation; National Plan for Integration of Children with Special Education Needs and Chronic Ailments into the National Education System 2004-2007; Regulation for Operation of the Resource Centres for Support of Integrated Training of Children and Pupils with Special Educational Needs. For better integration of these children into the education system the position of resource teacher has been introduced. Some schools have managed to build the relevant infrastructure permitting the access of such children to the classrooms.

A good progress has been achieved regarding the optimisation of the school network – information system in the MES has been developed, which contains data about each school. MES, in cooperation with the Ministry of Finance and municipalities, is elaborating financial model for financing schools according to the principle “money follows the student”. Introduction of this financing principle is an instrument that will allow some small classes to be closed in a natural way and it will support the process of creation of “focal schools”. The measure will lead to layoffs of teachers and this requires their re-qualification. Establishment of focal schools will bring forward the need of transporting the pupils from their place of residence to the focal centre.

Implementing the National Strategy for Introduction of Information and Communication Technologies and its Action plan for the school year 2004-2005, one new computer room was equipped in all schools. Gradually e-learning is being introduced in the classrooms, efforts have been made for providing internet connection in all schools and establishment of a national educational network, that allows implementing of a set of distant courses, e-libraries and encyclopaedias.

MES policy is directed towards improvement of teachers' qualification through continuous and profound training in their speciality, improvement of their computer skills, foreign language training, etc.

MES has been elaborating and has started the implementation of a system for internal assessment by wide use of tests as a form for assessment of pupils' knowledge and skills. In the future, the work

will continue on introduction of the system for external assessment in a form of national, standardised and general exams at the end of each educational grade. The long-term policy of the Ministry will be directed towards the establishment of state matriculation exams as a reliable indication of the pupils' results at the exit of secondary education and their transformation into "entrance" to universities. The assessment system will be aimed also at the assessment of teachers, quality of teaching and accomplished results. The teachers' assessment will be linked to the competitive remuneration of labour and their career development.

In the field of vocational education, good results have been achieved, which show better connection between the training programmes in the initial vocational training and the requirements of the business by establishment of training centres and carrying out the training practice in the enterprises. MES, in cooperation with MLSP, works for creating a modern and adequate to the labour market system for vocational education and for promotion of lifelong learning. In a process of elaboration is a National Strategy for Lifelong Learning. The active policy of both ministries for promotion of the participation of the society to motivate people for lifelong learning will continue.

The Government is committed to the implementation of the European Area of Higher Education principles related to quality of higher education and mobility, introduction of the European credit transfer system, creating conditions for real and low-interest student loan system, improving and expanding the system of quality control of higher education. The Bulgarian universities have obtained their autonomy – centres for career development are established in most of them. By increasing the capacity of the universities to carry out research and innovative projects, the universities are developing as centres for scientific research and scientific-applied studies. A factor for enhancing the competitiveness of the Bulgarian economy is the pursuance of policies of technological advancement and innovations. The advent of scientific achievements and high technologies in production is determinative for a sustainable economic growth. Closely related to this is the National Innovation Strategy of the Republic of Bulgaria and the measures for its implementation, as well as the currently developed National Strategy for Scientific Research in 2005-2010.

Policy in the field of social protection and social inclusion

Bulgarian system for social protection is based on the provision of opportunities for all to benefit from the welfare as a result of the economic progress. The main characteristics of this system, which contribute to the achievement of the goals for better and widespread social protection, are: guaranteed rights, ensured access for use of these rights, solidarity and social responsibility of the community, differentiated and individual approach towards everyone, guaranteed resources, clearly defined responsibilities.

Normative regulation in the field of social protection and social inclusion is strongly varied. The major legislative documents include the Social Assistance Act, Act on the Integration of People with Disabilities, Child Protection Act, Family Child Allowances Act, Act on Protection against Discrimination, the norms adopted for their effective enforcement, etc. One of the main principles is ensuring equal opportunities for all. Special rights and measures are envisaged to support the process of achieving of this principle. These measures and rights will improve and equalise the chances of the different groups for equal participation in the community and the use of its resources and welfare. Among these groups are: the people with disabilities, children, youths, elderly, vulnerable ethnic minority groups, etc.

Social protection and social inclusion is object of a number of strategic documents and action plans. Leading among them is the Joint Inclusion Memorandum which has imposed an integrated strategic approach to the formulation and implementation of this policy.

Series of measures have been taken for the creation of efficient and sustainable system for social protection, namely: the foundation of social security and social protection systems on fair principles, criteria and regulations; establishment of the appropriate for the market economy regulators of the

earned income; improving the pension model; modernisation of the social assistance system and introducing the differentiated approach; creation of preconditions for development of private entrepreneurship in the social sphere; development of community-based social services aiming the deinstitutionalisation; development of social investment in children and improvement of the family assistance; implementation of targeted demographic policy; improvement of the access to rights, resources, welfare and services guaranteed by the law; elimination of discrimination; creation of equal opportunities for all, including gender equality, etc. A special place among the measures for updating the social protection system is assigned to the measures aimed at the optimisation the coordination process between the social assistance system and the system of active labour market programmes and for support of the social reintegration of persons receiving social assistance benefits.

The National Report on Strategies for Social Protection and Social Inclusion of the Republic of Bulgaria for 2006-2008 adopted by the Council of Ministers summarises the following main challenges in the field of social protection and social inclusion:

- Reduction of the poverty risk and social exclusion;
- Setting up of a modern, sustainable and adequate pension system;
- Improved access to healthcare and quality health protection;
- Development of the long-term care system.

These challenges extend to almost all possible policies in the field of human resources described in this chapter. In relation to the goals on which Bulgaria has been working in the field of social inclusion, they are rendered concrete in the National Action Plan on Social Inclusion (one of the three pillars of the National Strategic Report 2006-2008). These are:

- Equal participation in the labour market of the groups at risk of falling into poverty and social exclusion;
- Ensuring equal access to services in order to prevent social exclusion and to overcome its consequences;
- Social inclusion of the most vulnerable ethnic minorities;
- Reduction of poverty among the groups outside the working age.

Bulgaria is a country with a relatively low living standard and income level. The economic growth of recent years has exercised a positive impact on the dynamics of the population incomes, but not in an adequate degree to the accomplished results. This poses some grave challenges to the income policy, which could be summarised as follows:

- Overcoming the lagging behind in income growth of the population;
- Increasing social protection of the low-income social strata;
- Better binding of wages to economic results.

The above stated challenges demand pursuance of an active policy that will lead, on the one hand, to gradual convergence of the income levels to those of the other EU Member States in a long-term perspective and, on the other, to evolvement of effective mechanisms for maintenance of the social balances and especially for helping the people with low incomes.

Policy in the field of healthcare

Bulgarian healthcare policy, elaborated by the Ministry of Health, is targeted at implementation of a radical healthcare reform. It is based on principles generally accepted in the European countries: pluralism, democracy, accessibility, equality and solidarity, shared responsibility for health.

The strategic objectives of the health policy for the period 2007-2012 are:

1. Ensuring conditions for health promotion and diseases prevention;
2. Provision of guaranteed health services of better quality and guaranteed access;
3. Provision of outpatient medical aid;
4. Restructuring and efficient management of the inpatient aid;
5. Provision of medicines and medical articles corresponding to the needs of the people and their financial capabilities;
6. Establishment of a system for development of the human resources in healthcare;
7. Design of an integrated information system of healthcare;
8. Ensuring financial stability of the national healthcare system;
9. Effective membership at the European Union.

The strategic objective «Provision of guaranteed health services of better quality and guaranteed access» includes:

- Improving the access to guaranteed health services via:
Provision of earmarked social health aid for the persons with proven socially disadvantaged status and not participating into the social security system

The strategic objective «Ensuring financial stability of the national healthcare system» includes:

- Maintaining a specialized state fund guaranteeing the health insurance rights of the socially disadvantaged population groups;
- Financial arrangements for a specialized state fund guaranteeing the treatment of the non-insured socially disadvantaged population groups.

The main goal of the healthcare reform is the creation of a highly efficient healthcare, adapted to the health needs of the individuals, the families and the nation. The main focus of the reform is:

- Effective observance of the rights of citizens with regard to healthcare, with a special attention to the risk groups;
- High quality of healthcare services through balanced “public-private” provision of healthcare services and enhancing the freedom of choice;
- Sustainability of the system through improvement of the quantity and quality of its resources, their rational utilisation and balanced development in accordance with the health priorities and needs;
- Efficient management including decentralisation of managerial functions and development of self-governance of the public sector health establishments.

The reform in the inpatient sector starts with upgrading the card file index of the buildings fund of medical and health institutions within the healthcare system with the aim to: make an assessment and analysis of the infrastructure of inpatient and outpatient healthcare in terms of type, location, ownership, condition, national and regional significance; stratification of the hospital system and, respectively, investments; sale, privatization and concession arrangements for groups of sites and operations; setting up public-private forms of management; design and introduction of a system comprising follow-up treatment institutions, continuous treatment, long-term care and rehabilitation; reformulating the priorities in the programme for development of the specialized psychiatric hospitals, the network of psychiatric wards integrated into the multi-profile hospitals and dispensaries; development and introduction of a system for control of the quality of rendered medical aid; strengthening the model of accreditation of the medical institutions.

Reform in the emergency medical aid includes setting up of “emergency units” within the structure of the district hospitals and reinforcing and enhancing the emergency medical aid centres as mobile structures for emergency medical aid.

The following actions are undertaken in view of providing guaranteed health services of better quality and ensured access to them:

- Initial analysis of the scope of the package of health services and care guaranteed by the Health Insurance Act; annual report and analysis of the provided health services and identifying the problems associated to their provision; financial arrangements and securing a specialized state fund guaranteeing the treatment of the vulnerable population groups without health insurance;
- Design and upgrading of medical standards; involvement of the patients’ organizations into the formulation of the health policy and in the control of the quality of health services;
- Optimization of the infrastructure of medical institutions; setting up of sufficient number of mobile medical units to service the population in remote areas; rendering special attention to the disabled people; more intensive interaction with the municipalities; bringing into uniformity and improving the pay of the general practitioners working in remote and hardly accessible regions of the country.

In view of ensuring financial stability of the national healthcare system, the reform starts with analysing the ways of payment for the inpatient medical aid and defining the mechanisms for introducing diagnostically related groups; it introduces uniform indicators for the financial accountability of the inpatient medical aid; elaborates indicators for adjustment of the individual remuneration of the performers of treatment activity, depending on their qualification and specific career development; performs analysis and revision of the format of the National Framework Contract; brings the mechanisms for direct control over the providers of medical aid out of the scope of contracting; introduces diagnostically related groups as a way of payment for the inpatient medical aid; and relies upon the public-private partnership.

The reform in health care envisages incentives for the voluntary health security and health insurance; human resources development through establishment of an overall system for continuous training and of establishment of information portals for access to health information.

The development of a modern healthcare system is one of the main priorities and targets of the undergoing reform. A national concept for restructuring of healthcare and the establishment of a new modern system for provision of services to the population was elaborated.

The reforms in healthcare implemented during the last decade permitted the application of most of the good structural and functional solutions of the healthcare systems of insurance type, combined with elements of the national healthcare services. Implementation of the healthcare policy is directly related to an improvement of the link between the primary and specialised medical aid, streamlining of the hospital network, including reduction of healthcare structures and establishment of unified funding by proceeding from the financing of structures to the financing of activities.

State policy for vulnerable minority ethnic groups in Bulgaria

Different structures and authorities in Bulgaria have responsibilities in the field of ethnic and demographic issues.

With CMD No. 333 of December 2004, a National Council for Cooperation on Ethnic and Demographic Issues was established. This Council develops further the idea for wide participation of nationally represented non-governmental organisations. With same CMD, an “Ethnic and Demographic Issues” Directorate was created as part of the specialised administration of the Council of Ministers. This Directorate supports the Council of Ministers in its role of creator and executor of state policy related to the integration of vulnerable ethnic minority groups. It is also responsible for

the elaboration and implementation of measures, and execution of control over the implementation of the Framework Programme for Equal Integration of Roma in the Bulgarian Society.

The entire coordination of measures and policies aimed at integration of the vulnerable ethnic groups is carried out by the National Council for Cooperation on Ethnic and Demographic Issues (NCCEDI). The work of the National Council related to the formation, implementation and monitoring of the execution of state policy for equal treatment of Roma in Bulgarian society, is supported by the Commission on Roma Integration. NCCEDI holds regular meetings every quarter and extraordinary ones when necessary. Members of the Council include representatives of all state institutions engaged in the process of integration of ethnic minority groups, as well as independent institutions and non-governmental organizations.

Owing to a deficient strategic approach in planning, coordination and funding, as well as to the lack of sustainability of most of the formerly implemented measures along the lines of integration of vulnerable groups, and in order to improve coordination and cooperation between the relevant institutions, amendments were introduced in the NCCEDI Structural and Operational Rules (as from 20th December 2006). The introduced amendments have been aimed at:

- Optimisation of the Committee for Roma Integration. Members are Deputy Ministers of Labour and Social Policy, of Regional Development and Public Works, of Education and Science, and of Health – also members of NCCEDI and representatives of non-profit organisations to be represented in the National Council which main activities are targeted towards Roma integration in Bulgarian society;
- Improvement of coordination and effectiveness in the implementation of Government policy on integration of vulnerable groups;
- Enhancing the transparency in the work of NCCEDI and RCCEDI;
- Improvement of the interaction and partnership with civic organisations and government institutions;
- Flexible management.

In the spirit of the decentralisation attached to the district administrations, there are functioning *District Councils for Ethnic and Demographic Issues* (24 in number), which perform their tasks under adopted by themselves regional Programmes for integration of ethnic minorities. Currently, more than half of the municipalities (264 in number) have appointed municipal experts on ethnic and demographic issues.

The newly established “Ethnic and Demographic Issues” Directorate as part of the administration of the Council of Ministers coordinates the work of civil servants in 7 ministries where there are directorates or departments working on ethnic and demographic issues in the respective policy areas.

At the MLSP operates a “Demographic Issues, Social Investments and Equal Opportunities” Directorate, responsible for development and coordination of the state policy in the field of demographic development, social investments and equal opportunities.

In MES within “Educational Environment and Educational Integration” Directorate there is “Integration through Intercultural Education and Upbringing” Unit. In “Policy of General Education” Directorate in the Ministry experts are working on the following mother tongues – Roma, Turkish, Armenian and Hebrew. MES has established Advisory Council for Education of Children and Pupils from the Ethnic Minorities as a state-public authority responsible for providing consultations, cooperation and coordination between MES, other ministries and institutions and non-profit organisations, which put efforts in the field of education. Within MES there has also been established and functions Centre for Educational Integration of Children and Pupils from Ethnic Minorities.

Within the Ministry of Culture there is a “Cultural Integration” Unit in “Regional Cultural Activities” Directorate. Within the framework of the ministry there are also Roma Public Council on Cultural Issues and Public Council on Cultural Diversity.

Ministry of Foreign Affairs has “Human Rights and International Humanitarian Organisations” Directorate.

In the Ministry of Health, 4 different Directorates work on the issues related to the health integration of disadvantaged persons from ethnic minority groups, namely “National Health Policy”, “Public Health”, “Medical activities” and “Management of Projects and Programmes”.

In 1999 the Council of Ministers adopted Framework Programme for Equal Integration of Roma in the Bulgarian Society.

It is of strategic importance to make concrete efforts for assisting those representatives of ethnic and religious communities, who are not yet in position to taking their deserved place in the community.

In pursuance of the Accession Partnership, in the end of 2003 a short-term financially backed up Action plan for Implementation of the Framework Programme for the period 2003-2004 and general legislation for fight against all forms of discrimination were adopted.

The Commission for Protection against Discrimination was established in 2005 and is part of the national mechanism for protection of human rights and freedom of all citizens and their associations. It was created in accordance with the provisions of Article 40, paragraph 1 of the Act on Protection against Discrimination as an independent specialised state body for prevention of discrimination, protection against discrimination and ensuring equal opportunities. The Commission executes control over the implementation and observance of the Bulgarian legislation connected with the equal treatment as well as the international standards prohibiting discrimination.

After the adoption of the Framework Programme and in correspondence with overall state policy, a number of ministries approved the following strategies and action plans under them:

- Short-term Strategy for the Implementation of the State Policy for Equal Integration of Roma Community in the Bulgarian National Culture 2000-2001;
- Strategy for Educational Integration of Pupils and Children from the Ethnic Minorities;
- Health Strategy for Individuals in Vulnerable Social Situation Belonging to Ethnic Minorities;
- National Action Plan on Roma Inclusion Decade;
- National Programme for Improvement of the Housing Conditions of Roma in compliance with the National Housing Strategy;
- National Plan for Prevention against Discrimination 2007 (the measures are in compliance with all strategic documents for ethnic groups integration currently accepted).

In April 2005, the Council of Ministers adopted a National action plan for the “Roma Inclusion Decade 2005-2015”. On 8 of June 2006, a CMD was adopted for accepting the presidency of the “Roma Inclusion Decade 2005-2015”, for accession of Bulgaria into the procedure rules of the Decade and for taking over one-year Presidency of the initiative by Bulgaria for the period 1 July 2006 – 30 June 2007.

In MLSP National monitoring meetings are being held on the implementation of the National Action Plan for the initiative “Roma Inclusion Decade 2005-2015” each last week of the month.

By Order of the Minister of Labour and Social Policy dating 16 August 2006 a Council for Integration of Roma in the Bulgarian Society was established. The Council includes representatives of Roma non-governmental organisations.

On the basis of the 2006 assessment of Framework Programme implementation, measures have been suggested for an improvement of the Government policy on integration of Roma by means of a distinctly formulated type of policy to be pursued by the Government in the future.

The main recommendations are aimed at:

- Improvement of the policy for integration of Roma into society;
- Strengthening the administrative capacity for implementation of the policy for integration of Roma into society;
- Strengthening the capacity of the civil sector partners for cooperation and effective participation in the processes of formulation, implementation and assessment of measures for the implementation of the Action Plan until the end of 2006;
- Enhancing the effectiveness and efficiency of the planned measures for Framework Programme implementation;
- Planning of new initiatives for implementation of the policy for integration of Roma into society;
- Urgent measures for improvement of the socio-economic status of Roma communities;
- Agreement of measures under the different strategic documents with the international initiative “Roma Inclusion Decade”.

The need in undertaking actions for the improvement of strategic framework is particularly urgent along the following lines: institutional coordination among the above-mentioned structures involved in the elaboration and implementation of policies on ethnic minority groups issues, internal consistency of the documents regulating the policy of integration of minority groups (especially of Roma); coordination with the national and sectoral development plans and strategies. The state policy in relation to the integration of vulnerable ethnic groups with a special focus on Roma is implemented on the principle of mainstreaming. The special positive measures applied to the target group lay the stress on pressing problems at the moment and will assist the equal start of representatives of vulnerable ethnic groups and their equality at inclusion on all levels of public and political life. Currently the stress will lie on positive measures in the field of education, health care and housing policy.

1.8. PREVIOUS EXPERIENCE IN PROGRAMME PHARE

The Ministry of Labour and Social Policy, through the “European Funds, International Programmes and Projects” General Directorate, acts as an Implementing Agency under the Phare Programme in sector “Social Development” since 1999.

For the 1999 – 2007 period the Implementing Agency has been managing projects under the Phare Programme – Financial Memoranda 1999, 2002, 2003, 2004, 2005 and 2006 of a total value of 114 712 000 Euro.

The projects have been implemented in the following spheres: social integration, including ethnic minority groups, active labour market policy, alternative employment, life-long learning and vocational education and training, vocational qualification, occupational safety and health, deinstitutionalisation through provision of community based services for risk groups, improving the quality of living of people with mental disabilities, human resources development and development of the bilateral social dialogue.

The measures financed under the Phare Programme have been programmed for institutional build-up and investment in human resources development.

As a result of the implementation of the 2002 Phare Programme in sector “Social Development”, have been provided mechanisms for provision of quality vocational education and training in

compliance with the requirements of the labour market, as well as enhancing employment among youths.

Through the implementation of the 2003 Phare Financial Memorandum alternative employment in regions with highest unemployment levels has been stimulated. Opportunities have been provided for improvement in the occupational safety and health conditions in chemical industry. The qualification of the assisting professionals in mental healthcare has been improved and the range of services provided has been widened. Strategies and standards for vocational education and training as well as for education of adults have been developed. Investments have been performed for the creation of national database for the labour market and for ESF, which is a prerequisite for the efficient management and implementation of HRD OP.

The 2004 – 2006 Phare Programme, and especially the multi-annual projects are aimed at human resources development and provision of community based services. In the field of human resources development an efficient system for analysis of labour market needs and enhancement of more efficient active policies on the labour market is being developed as well as an efficient strategy and framework for life-long learning, which includes reform of vocational education and training (initial vocational education and training and continuous vocational training).

Under Phare 2004 investments aimed at developing a network of adult training centres and support for the development of the National Strategy for Life-long Learning have been performed. Measures for the inclusion on the labour market of ethnic minority groups have been undertaken.

As regards the institutional capacity building, Phare Programme has contributed a lot to strengthening the administrative capacity on central, regional and local level.

The process of strengthening the administrative capacity of the staff of the Implementing Agency, the Project Implementation Units as future Intermediate Bodies, social partners and other partner institutions and organizations is being carried out by provision of basic and specialized trainings, as well as through gaining experience in implementing projects, financed by the Phare Programme.

In regard to the above, securing continuity of the gathered expertise in managing Pre-accession Funds is at hand and is a solid basis for the future management and absorption of ESF funding under the HRD OP.

2. SWOT ANALYSIS

The SWOT analysis summarises the results from the socio-economic analysis, the conclusions and the assessment.

Strengths	Weaknesses
<ul style="list-style-type: none"> • Stability, growth and the social protection system in Bulgaria have contributed to substantial overall reduction of poverty in the past six years • Low inflation and sustained economic growth over the last years have resulted in increase of per capita income and in overall improvement of the living standard • Successful recent reforms of the social protection system (including raising the retirement age) and better coordination of the employment and social protection policies • Decreasing unemployment and undeclared employment • Good educational level of the population 	<ul style="list-style-type: none"> • Negative natural growth rate of population, emigration and large number of people out of the labour market • Increasing levels of dependence on social assistance benefits driven by demographic trends, high number of social assistance beneficiaries and low participation rates in the formal economy • Active employment policies do not reach all vulnerable groups • Significant regional disparities in terms of unemployment, employment and economic development • Underdeveloped entrepreneurship and life-long learning culture • Insufficient social and healthcare services quality as well as poor quality of educational and vocational training services • Underdeveloped economic sectors employing qualified labour force/ the employment structure is oriented towards sectors requiring unqualified labour force • The reform in the education system has not been completed • Substantial drop in the educational and social levels among the Roma, compared to the rest of the population

Opportunities	Threats
<ul style="list-style-type: none"> • Improvement of productivity on the labour market and of the economy as a whole is necessary for improvement of the living standard • Strengthening the links between the skills acquired in the educational system and those required on the labour market (including ICT skills) • Continuation of the reforms in the social protection system • Enhancing the coverage and access to education • Enhancing the intercultural education • Restructuring, facilitating the provision and improving the quality and diversity of community-based social services for various risk groups • Evolving culture of entrepreneurship, life-long learning and equal opportunities • Promoting the “brain retaining” and “brain influx” in the country • Enhanced participation of social partners in shaping up and implementing the policy in the field of human resources • Consistent targeting of inclusive measures to the most vulnerable groups and to the regions in need 	<ul style="list-style-type: none"> • Low economic development rate and insufficient income and labour productivity growth in addition to accelerated decrease of the population • Aggravation of the imbalance between supply and demand at the labour market • Intensifying the gap between the skills of the labour force and the labour market needs • Creation of large number of unsustainable jobs which do not require vocational qualification • Accelerated social exclusion among the most vulnerable population groups • Increased emigration of young and highly qualified workforce (i.e. the so called “brain-drain effect”) • Insufficient private and individual investments in human resources development • Insufficient institutional capacity at central, regional and local levels for absorbing EU funds

3. STRATEGY OF THE HRD OP

The specific objectives and the scope of the interventions under the Operational Programme encompassed in the priority axes identified below are based on detailed state-of-play analysis in the field of human resources and on the SWOT-analysis outlining the critical areas and possibilities for future development.

The socio-economic analysis prepared for the purposes of this Operational Programme presents the key challenges for the human resources in Bulgaria in order to contribute to the national aspirations of high living standards and sustainable development. The strategy addresses labour market issues, such as low levels of participation and employment, low labour productivity, labour supply and demand imbalance, sustained high levels of unemployment among disadvantaged groups, low corporate investments in human resources, slow pace of job creation, non-competitive working conditions, and economic structure not responding to the objectives of the knowledge-based economy.

The picture of major disparities is being complemented with the ones in the education and training field such as comparatively low levels of quality of educational and training services not meeting the requirements of the Common European Market, schools and universities using ICT and foreign languages at insufficient level far away from requirements of the knowledge-based society, underdeveloped research and development activities, growing numbers of school dropouts, existence of marginalized groups – illiterate, without skills and profession.

The issues related to the social inclusion of the vulnerable groups are given appropriate consideration. Having regard to their multilateral nature, they are classified in several basic directions – limited access to the labour market for the vulnerable groups, poor educational status and access to education and training, obstacles to the access to social and healthcare services. The insufficiently developed social entrepreneurship will also be in the focus of future challenges.

National Strategic Reference Framework

The strategic objective of NSRF is for Bulgaria to become competitive EU Member State with high quality of life, income and public social awareness by 2015. The long-term vision for Bulgaria combines two specific mid-term objectives for the programming period 2007-2013:

- Development of the competitiveness of the economy aimed at achievement of high and sustainable growth;
- Development of the human capital aimed at ensuring higher employment, income and social integration.

HRD OP strategy contributes to the achievement of both NSRF objectives, but it will have main contribution for the achievement of the second strategic objective.

The actions to be supported with the resources available for human resources development policy must focus on creation of more and better jobs, achieving competitive productivity, ensuring high-quality and accessible education and guaranteeing social cohesion in line with the revised Lisbon Strategy and Social Agenda.

If Bulgaria is to achieve higher employment levels, improve the quality and productivity of labour and strengthen the social and territorial cohesion, it must attract and retain more people in employment, increase labour supply and encourage labour demand, modernise social protection systems and boost investment in human capital through better education and skills.

3.1. Strategic objective

As a part of the NSRF, this Operational program **aims at improving the quality of life for people in Bulgaria through enhancing the human capital, achieving high levels of employment, increasing productivity, ensuring access to high-quality education and life-long learning, and enhancing social inclusion.**

3.2. Specific objectives of HRD OP

Taking into consideration the identified in the socio-economic analysis challenges before the human resources in Bulgaria, the national priorities and the Community strategic objectives, HRD OP will pursue the following specific objectives:

- Increasing the labour supply and the quality of the workforce
- Increased investment in human capital through better and more accessible education
- More social capital, partnerships and networks and development of social economy

In view of achieving the strategic objective and specific objectives the **HRD OP highlights seven major priority axes:**

1. Promotion of economic activity and development of inclusive labour market
2. Raising of productivity and adaptability of the employed persons
3. Improving the quality of education and training in correspondence with the labour market needs for building a knowledge-based economy
4. Improving the access to education and training
5. Social inclusion and promotion of social economy
6. Improving the effectiveness of labour market institutions, and of social and healthcare services
7. Transnational and interregional cooperation

Compliance of the priority axes with the specific objectives

Priority axes	PA 1	PA 2	PA 3	PA 4	PA 5	PA 6	PA 7
Specific objectives							
Increasing the labour supply and the quality of the workforce	♦	♦			♦	♦	♦
More intensive investment in the human capital through better and more accessible education			♦	♦			♦
More social capital, partnerships and networks and development of the social economy.					♦	♦	♦

Increasing the labour supply and the quality of the workforce

Increasing the labour supply and the quality of the workforce will be implemented through activities aimed at:

- Effective integration of vulnerable groups on the labour market;
- Activation of persons outside the workforce;
- Increasing the adaptability of employed;
- Improving the organization of labour and the management of labour resources;
- Encouraging flexible forms of employment;
- Improving the health status of the workforce.

The achievement of these goals requires the implementation of a series of complementing complex measures, described within the respective priority axes or main areas of intervention.

Within priority axis 1 a special focus will be placed on **strengthening of active and preventive measures on the labour market** in order to overcome obstacles to entering or remaining in the labour market and to promote mobility for job seekers, the unemployed and inactive persons, older workers as well as those at risk of becoming unemployed, in particular young persons. Action will focus on the provision of individualised services, including job-search assistance, training and job placement. The potential for self-employment and business creation, ICT skills and computer literacy will be fully taken into account. Special attention will be paid to ensuring access to employment for **young people**, by facilitating the transition from education to work, including through career guidance, assistance in completing education, access to appropriate training and apprenticeships, as well as prolonging the working life of **older-aged persons** with a focus on training and employment, on improving the working conditions and preserving the health of the workers and employees.

Another important priority is to **ensure inclusive labour market for disadvantaged people or people at risk of social exclusion**. An individual approach will be applied to the representatives of the target groups who are not on the labour market and who face the risk of social exclusion, such as: early school leavers, long-term unemployed who do not seek for job, ethnic minority groups, people with disabilities, etc. The aim is to increase their employability by inclusion in vocational training, encouragement of employers to employ persons from the target groups, rehabilitation and appropriate stimuli and organization of labour, as well as the necessary social support and services for care. In this respect, priority will be given to addressing the needs of the least developed regions and the neediest persons.

Specific actions will be held to promote reconciliation of family and work life, incl. by facilitating access to childcare and care services for dependent persons, alongside gender mainstreaming in labour market policies and measures, awareness-raising and dialogue among stakeholders.

In terms of social inclusion issues, the HRD OP will place a special emphasis on the **access of Roma people and other ethnic minority groups to the labour market** and facilitate their social integration through literacy, vocational training, personalized guidance, appropriate support for entrepreneurship and awareness raising among employers and strengthening the enforcement of anti-discrimination rules.

Within priority axis 2 HRD OP will stress on the **adaptability of workers and enterprises and the flexibility of the labour market**. The main focus should be on actions to promote investment in human capital by enterprises, especially SMEs, and workers through the provision of lifelong learning strategies and systems which equips employees, in particular low-skilled and older workers, with the necessary skills to adapt to the knowledge economy and to prolong their working life.

Priority should be given to SMEs, including facilitating their access to external sources of competence and training solutions – with emphasis being placed on ICT and management skills - and to increasing the participation of low-skilled and older workers in training and re-training.

Use of flexible forms of employment on the part of employers will be encouraged, including part-time work, flexible working time, and work for a limited period of time, while also encouraging the reconciliation of the professional and personal life of the employed.

According to Article 5 (3) of Regulation (EC) No. 1081/2006 under the Convergence objective, an appropriate amount of ESF resources shall be allocated to capacity-building, networking, strengthening the social dialogue and activities jointly undertaken by the social partners, in particular as regards adaptability of workers and enterprises referred to in Article 3(1)(a) of the same Regulation. In implementation of this provision, no less than 1% of the budget of OP HRD will be used to finance activities jointly undertaken by the social partners to enhance the adaptability of the workers and the enterprises. In addition, the social partners are beneficiaries under a considerable part of the main areas of intervention of the Operational Programme.

Attention should also be paid to **developing and disseminating knowledge on innovative and adaptable forms of work organization to take full advantage of new technologies** – including distance working, improving occupational safety and health, increasing productivity and promoting better reconciliation of work and family life. This may also include raising awareness of corporate social responsibility and of ways to transform undeclared employment into regular employment.

Having in mind the demographic structure, and aging population and a likely decline in the labour force, the HRD OP takes into account the need for improvement of **the health status of the work force** in order to increase the number of active and employed people. The higher number of healthy workers, lower frequency and duration of absence due to sickness, less dependency levels, etc. contribute directly to higher productivity and competitiveness. Therefore, investment within area of intervention 5. 3. in health promotion and prevention will help maintain active participation in society for as many workers as possible, thus increasing their economic contribution.

In order to achieve the above mentioned objectives and goals activities will be supported to develop **efficient and effective labour market institutions**, notably employment services that can respond to the challenges of rapid economic and social restructuring and demographic ageing, which is essential in order to support service delivery to job seekers, the unemployed and disadvantaged people. These institutions have a pivotal role to play in implementing active labour market and social inclusion policies and in providing individual services with a view of promoting occupational and geographical mobility and matching labour supply and demand, including at local level. They will help to envisage shortages and oversupply on the labour market and occupational and skill requirements. Positive management of economic migration may also be supported as a result. Easy access to and transparency of the services on offer will be guaranteed.

The implementation of the Operational Programme, as a complementing tool supporting the fulfillment of national policies, will contribute to increasing the participation of both the unemployed and the employed in vocational qualification and re-qualification courses, will increase the opportunities to stimulate employers to provide jobs for the representatives of the target groups, will create opportunities to implement actions aimed at attracting persons out of the workforce on the labour market, flexible forms of employment will be encouraged, measures in support of entrepreneurship will be implemented by encouraging unemployed and persons belonging to the target groups to start their own business.

Because of the dynamic changes observed on the labour market, the target regions, the vulnerable groups and the branches in relation to which the interventions under the Operational Programme will be implemented will be determined periodically by the Monitoring Committee. The starting basis for targeting the operations will be the data provided in the analysis section. Regional differences will be addressed by decision-making on the part of the Monitoring Committee on the basis of existing

statistical and other data, which will be updated periodically, allowing for reallocation of funding to the neediest regions/groups.

The monitoring system of the Operational Programme will provide the opportunity to follow the distribution of funds by regions according to the concrete regional/sectoral prioritization, where applicable.

Increased investment in human capital through better and more accessible education

Investments in human capital by better and more accessible education will be supported by priority axes 3 and 4 and will aim to overcome the problem of limited access to the labour market due to lack of skills or inadequate skills of the people. This specific objective of the Operational Programme will be implemented through actions aimed at:

- Provision of equal access to quality education services for all;
- Improvement of the quality of education services and their alignment with the requirements of the labour market;
- Encouragement of quality and attraction of vocational education and training;
- Development and implementation of a life-long learning strategy;
- Modernization of higher education and development of potential in the field of research and innovation.

To facilitate access to employment for all ages and to raise productivity levels and quality of labour, there is a need to step up investment in human capital, **to develop and pursue effective national education and lifelong learning strategies** for the benefit of individuals, enterprises, economy and society. Recognising the need to step up efforts and complete education system reform, and using the framework of the Lisbon Strategy goals, and the goals of the national and Community employment strategies, Bulgaria is called upon to expand and improve investment in human capital and to adapt its education and training systems in response to the new requirements.

Actions in the field of training on the labour market aiming to attract more people into employment and to increase adaptability of workers and enterprises will be matched with actions in the education and training systems.

Particular attention will be paid to ensuring an adequate provision of attractive, accessible and high quality education and training at all levels. The objective is to decrease the number of early school leavers and to ensure higher rates of people completing secondary education. Full-fledged integration of vulnerable groups and ethnic minority groups, more particularly Roma, will be encouraged through measure for optimization of the school network and better cooperation and integration between young people, schools and the different communities in society. In the process of organization of “focal schools” the ethnic and cultural peculiarities of the individual ethnic minority groups will be taken into consideration. The measures will be aimed at the regions with the highest concentration of Roma population according to the data quoted in the analysis.

Improvement of the quality of education services will be supported by the development of new curricula, syllabi and methods, development of qualification and career development systems for teachers and a wider introduction of ICT in education.

In support of the modernization of higher education and the development of human potential in the field of research and innovation, post-graduate education, additional education for researchers and attraction of more young people in research and technical researches will be encouraged.

More social capital, partnerships and networks and development of social economy

To achieve this specific objective, HRD OP provides for the implementation of measures in two main directions supported by Priority Axis 5:

- Support to the social economy
- Social services for prevention of social exclusion and overcoming its consequences

The **social economy** sector still hasn't reached the necessary levels of territorial scope and impact. The state still preserves its monopole influence, the forms of social services are stereotypical and unified, in spite of the decentralized system of their management. There is a lack of flexible and innovative approaches, initiated from the "bottom-up" as a result of identified specific community problems. In spite of the legislative opportunity for active participation of civic society, there is still a shortage of community initiatives, developed partnership networks and active civil dialogue. The lack of conformity between the social services provided and the individual needs of vulnerable persons and groups creates obstacles for their full-fledged social inclusion.

The development of social entrepreneurship as part of the strategy of effective social inclusion of vulnerable groups creates conditions for the unification of economic and social resources to overcome social isolation. This strategic approach will create conditions for poverty reduction by inclusion of vulnerable groups in various forms of work with defined social effect and will create conditions for sustainability of measures in the social policy area

Special attention will be paid to the opportunity **to raise the levels of social capital and boosting its use** in society. Investment in social capital by developing the foundations of social, economic, cultural and other networks, development of the social economy sector, as well as the achievement of beneficial social and economic partnership, is valuable for enhancing growth, productivity, employment, social inclusion and the quality of life.

HRD OP aims at reducing the risk of poverty and social exclusion by providing support for:

- Establishment of a up-to-date model for development of social entrepreneurship not only by fostering new initiatives, but also by modernisation of the existing specialised enterprises and cooperatives of people with disabilities, and social enterprises;
- Creation of employment in the framework of social economy for both vulnerable groups and specialists;
- Acquisition of genuine working and/or professional skills by people with disabilities and fostering of their competitiveness in working environment;
- Creation of sheltered and specialised working environment.

Aimed at increasing the equal opportunities for all, OP HRD pays special attention to **social services with the objective to make easier the access of the most vulnerable groups** which require a special attitude in view of the social inclusion and integration of part of them on the labour market. Increasing the number, variety and quality of social services on the basis of individual approach and ones provided in and by the community will permit many dependent persons to integrate in the society and on the labour market, as well as to improve their quality of life.

Legislative amendments laid a stress on changes in the approach to the provision of social services. The institutional type of care is gradually being replaced by consistent support for vulnerable people and groups. The objective is for those in need to remain in a family environment, develop within the framework of the community, acquire skills and achieve personal independence, in spite of the existing restrictions.

Supporting state priorities for the implementation of the measures aimed at deinstitutionalization, the strategy of OP HRD in the field of social inclusion is aimed at complex social services for the prevention of social exclusion and overcoming its consequences by means of:

- Individual approach and comprehensive implementation of the equal opportunities policy and generation of real conditions to overcome poverty and social isolation;
- Extension of the community-based social services network;
- Acceleration of the process of deinstitutionalisation by improving the quality of care and the living conditions in specialised institutions;
- Support for professional realisation of people taking care of dependent family members with special needs by provision of complex and quality care in a family environment;
- Generation of employment within the framework of social services;
- Increasing public information and awareness on matters of social inclusion of the vulnerable groups in Bulgarian society;
- Active inclusion of all stakeholders.

All actions described above will be supported with adequate measures to increase the efficiency and effectiveness of the social services providers.

3.3. Compliance of HRD OP with the policies of the European Community

Pursuant to Article 9, item 2 of the Council Regulation (EC) No 1083/2006, the European Commission and the Member States guarantee that the support from the Funds will comply with Community activities, policies and priorities.

The strategy of HRD OP is in conformity with the EU objectives for the programming period 2007 – 2013 set in the Community Strategic Guidelines on Cohesion.

Guideline: More and better jobs

CSGC 2007-2013 HRD OP	Attract and retain more people in employment and modernise social protection systems	Improve adaptability of workers and enterprises and the flexibility of the labour market	Increase investment in human capital through better education and skills	Administrative Capacity	Help maintain a healthy labour force
PA 1. Promotion of economic activity and development of inclusive labour market	◆		◆		
PA 2. Raising of productivity and adaptability of the employed persons		◆	◆		
PA 3. Improving the quality of education and training in correspondence with the labour market needs for building a knowledge-based economy	◆		◆	◆	

PA 4. Improving the access to education and training		◆	◆		
PA 5. Social inclusion and promotion of social economy	◆				◆
PA 6. Improving the effectiveness of the labour market institutions and of social and healthcare services	◆			◆	◆
PA 7. Transnational and interregional cooperation	◆	◆	◆	◆	◆

HRD OP interventions contribute also for the achievement of the objectives of other Community guidelines on cohesion for the period 2007-2013, aimed at fostering of innovations and research and development in order to build a knowledge-based economy; as well as at transnational and interregional cooperation.

HRD OP priority axes comply with the range of actions eligible for financing by the ESF in accordance with the provisions of Article 3 of the Regulation (EC) No 1081/2006.

Drafting the HRD OP has also taken into account other conceptual and methodological documents of the European Union:

- The new start for the Lisbon strategy;
- The European Employment Strategy;
- The Integrated Guidelines for Growth and Jobs (2005-2008) – See Annex 5 about the cross-reference and complementarity of the measures foreseen in the HRD OP and those in the Integrated Guidelines for Growth and Jobs;
- The proposed European Qualifications Framework for Lifelong Learning;
- The European Work Programme “Education and Training 2010”;
- The European Youth Pact;
- The Equality Strategic Framework;
- The European Sustainable Development Strategy 2005-2010, etc.

The actions to be fulfilled within the framework of the Operational Programme are aimed directly or indirectly to achieving the objectives of the Lisbon Strategy. Bulgaria has set itself national objectives in accordance with the Lisbon objectives as regards employment, early dropping out of school and participation in life-long learning, as well as objectives related to social inclusion.

Implementation of the specific objectives of the Operational Programme will contribute to the achievement of the national objectives set in this field.

3.4. Compliance of HRD OP with the national policies

During the last several years the Bulgarian government has elaborated a set of strategic documents, which unite the macroeconomic strategy, microeconomic strategy, employment strategy, strategies in the field of education, social protection and social inclusion in a consistent national human resources development policy with value added.

In 2002 the Bulgarian Government and the European Commission signed the **Joint Assessment Paper on Employment Priorities in Bulgaria**. The document assesses the progress of Bulgaria in the process of adjusting its employment system and preparing for European Employment Strategy implementation. The paper identifies the problems and challenges in the field of human resources development policy, income policy, taxation and social assistance benefits system, active labour market measures and programmes, regional issues, equal opportunities and the preparation of Bulgaria for utilisation of European Social Fund support.

On 3 February 2005 the **Joint Inclusion Memorandum** was signed, developed in pursuit of the commitments undertaken by Bulgaria in the process of accession to the EU. The Joint Inclusion Memorandum gives a clear picture of the situation in the country in many spheres of public life and outlines the critical long-term challenges – macroeconomic realities, standard of living, labour market, demographic situation, poverty and income distribution, education, social protection, housing conditions, healthcare, transport, regional disparities, groups at risk of social exclusion, ethnic minority groups. On 7 September 2006 the CoM approved the first ever **National Report on the Strategies for Social Protection and Social Inclusion for the period 2006-2008** which outlines the general strategic approach of the policy in the field of social protection and social inclusion, the key priorities, objectives and measures. Among other things, through this report Bulgaria joined the open method of coordination in the field of social protection and social inclusion. (for the relevance in the context of HRD OP see Annex 6)

The implementation of the Operational Programme will help achieve the objectives set down in the **National Reform Programme** by purposeful actions that will complement the policy on employment, social inclusion and that in the field of education in the three priority axes, more specifically:

- Increasing the economic activity of the population and employment
- Effective integration of persons from the disadvantaged groups on the labour market
- Education and training in support of the transition to a knowledge-based economy

(for the relevance in the context of the HRD OP see Annex 7)

The basic legal, strategic, operational and other papers on the national employment policy, lifelong learning, education and training, social integration set the foundation for HRD OP elaboration. The formulated priority axes will contribute to the implementation of the national policies in the human resources area:

- Employment Strategy 2004-2010 of the Republic of Bulgaria;
- National Strategy for Demographic Development of the Republic of Bulgaria (2006-2020);
- National Strategy for Continuous Vocational Training for the period 2005-2010;
- National Programme for Development of School Education and Pre-School Upbringing and Preparation (2006-2015);
- National Strategy for Introduction of Information and Communication Technologies in the Bulgarian Schools;
- National Strategy for Scientific Research;
- National Strategy for Equal Opportunities for People with Disabilities (2004 – 2014);

- Framework Programme for Equal Integration of Roma in Bulgarian Society;
- Strategy for Educational Integration of Pupils and Children from Ethnic Minorities;
- Health Strategy for Socially Disadvantaged People from Ethnic Minorities;
- National Action Plan for the Decade of Roma Inclusion;
- National Programme for Improvement of the Housing Conditions of Roma in accordance with the National Housing Strategy, etc.

The actions envisaged in this Operational Programme aim at complementing the national policies in order to achieve maximum effect and not at replacing them.

3.5. Synergy and demarcation with other Operational Programmes and the Rural Development Programme (2007 – 2013)

In order to realise to their full extent the major priorities of EU related to employment, growth and sustainability, HRD OP ensures complementarity with the other Operational Programmes and with the Rural Development Programme.

The assurance of human resources development may only be achieved through investments in the main infrastructure in this field. In all the six planning regions on NUTS II level, the social infrastructure is poorly adapted to the current situation and the necessary conditions for human resources development. The improvement and optimisation of the infrastructure will lead to improved quality of living and will assist to the improvement of the country's human capital, which is a prerequisite for the most effective implementation of the actions planned within the scope of HRD OP. For that reason, the HRD OP activities will be complemented by the **“Regional Development” Operational Programme**, which will be co-financed by the European Regional Development Fund, and by the Rural Development Programme. Measure 1.1. “Social Infrastructure” of the “Regional Development” OP foresees activities aiming at providing an adequate and profitable social, cultural, educational and health infrastructure through reconstruction / repair / modernisation / equipment, including ICT equipment. These activities are consistent with the future requirements of the population in the city centres and their adjacent territories (the measure will be implemented in municipalities listed in “Regional Development” OP).

Measure 1.2. “Housing” of the “Regional Development” Operational Programme will cover activities aimed at provision of improved living conditions for the citizens and at contribution towards the social inclusion through raising of the standard of living and general improvement of the quality of life of the urban communities in disadvantaged and vulnerable situation.

Axis 3 of the Rural Development Programme envisages support for investments aimed at improving the essential services for the local people and for investments in the rural infrastructure.

The activities in these two strategic programmes will be complementary and will not overlap with the interventions under HRD OP. They were coordinated between the Managing Authorities during the programming process, as well as in the respective operational programmes and strategic plans. Approval of the specific operations/activities to be financed within the framework of the three programming documents will be carried out by the relevant Monitoring Committees comprising representatives of all parties concerned.

The synergy between the programme instruments having interventions in social infrastructure will be implemented at the level of the separate beneficiary.

“Development of the Competitiveness of the Bulgarian Economy” Operational Programme, co-financed by the European Regional Development Fund, is focusing on increasing the competitiveness of the enterprises through direct investment support for introduction of innovations, technological modernisation, international standards and access to capital. HRD OP, in turn, will finance activities related to improving the quality characteristics of the workforce in line with the

needs of the economy. It aims at enhancing the application and use of diverse forms of maintaining the workforce qualifications in order to improve its creative, analytical and constructive abilities.

Improvement of the quality of the workplace and the qualification of human resources under the OP Competitiveness come as a result of direct investment support, while in the case of HRD OP they are the direct objective of the planned interventions.

HRD OP is concentrated on employment promotion and self-employment by the implementation of a number of actions in the sphere of consultancy, while support for launching innovative companies under OP Competitiveness provides primarily technological consultations related to the development and introduction of innovative products. General business consultations under the OP Competitiveness are complementary. The supported under HRD OP area of intervention 1. 2. consultancy services are part of a services package to be provided to the entrepreneurs.

HRD OP (Priority Axis 3) is complemented also by actions provided under Priority Axis 1 of OP Competitiveness – Development of Knowledge-Based Economy and Innovation Activities. The difference between the two operational programmes consists in that OP Competitiveness concentrates on the development of innovations in enterprises by support for all elements of the innovation system, while HRD OP concentrates on an impact in the sphere of education and the development of fundamental research.

HRD OP will complement the objectives of the OP Competitiveness by investments aimed at improving the quality of education and training in accordance with the needs of the business for building a knowledge-based economy.

The investments under both Operational programmes will lead to synergic effect for the improvement of the competitiveness of the Bulgarian economy and to creation of conditions for more and better jobs.

“Administrative Capacity” Operational Programme will be co-financed by the ESF as well. It aims at development of an effective and competent administration capable of developing and implementing national and European policies, whilst meeting the expectations of citizens and the business for better service and professional ethics, as well as providing support for an effective judicial authority. In addition, the administrative capacity of the civil administration at central, regional and local level, the socio-economic partners and the judicial system will be strengthened in order to implement the good management principles as a fundamental condition for an effective and efficient use of EU Structural Funds and the Cohesion Fund.

HRD OP envisages investments in strengthening of the administrative capacity of the labour market, educational and training, social inclusion and healthcare institutions, which are direct prerequisite for the achievement of the objectives related to the human resources development in the country.

“Administrative Capacity” Operational Programme will exclude interventions in the areas described above. It will exclude actions in the areas referred to in priority axes 3 and 6 of HRD OP.

In implementation of Article 5 (3) of Regulation No. 1081/2006, OP „Administrative Capacity” will finance actions aimed at strengthening the capacity of social partners. In turn, HRD OP will support actions jointly undertaken by the socio-economic partners to increase the adaptability of workers and enterprises (Priority Axis 2), as well as transnational and interregional cooperation with their partners from other EU member-states (Priority Axis 7).

“Technical Assistance” Operational Programme (TA OP) co-financed by the European Regional Development Fund aims at further improvement of coordination, control and implementation of Structural Funds and Cohesion Fund in Bulgaria during the 2007 – 2013 programming period. TA OP will support the activity of the Central Coordination Unit, the Audit Authority and the Certifying Authority as well as the Monitoring Committee of the NSRF and the TA OP Managing Authority, the elaboration and maintenance of the Unified Management and Monitoring Information System, as well as popularisation of the common benefits from EU Structural Funds and Cohesion Fund.

TA OP will finance the training of local authorities on the following subjects: public procurement, project cycle management, financial management. These activities are excluded from the HRD OP interventions.

“Technical Assistance” Operational Programme will exclude measures targeting capacity building of the HRD OP Managing Authority and Intermediate Bodies for management of Structural Funds, which will be included in priority axis 8 “Technical Assistance” of the HRD OP.

One of the main goals of the **Rural Development Programme (RDP)** is targeted at improving the quality of living and diversification of the employment opportunities. The rural areas in the Republic of Bulgaria have substantial resources, representing a significant potential for development.

Activities co-financed by EAFRD under the RDP will include support for provision of vocational training in order to upgrade the skills and abilities of persons involved in agriculture and forestry. They will complement and not overlap with the interventions within the framework of priority axes 1 and 2 of the HRD OP. RDP will support promotion of innovations via dissemination of knowledge and investments in human capital. The main emphasis will be placed on the need for Bulgarian agriculture to be developed by young farmers, who will need appropriate qualifications.

Axis 1 of the RDP “Development of competitive and innovation-based agriculture, forestry and food-processing industry” and, in particular, the “Training, information and diffusion of knowledge” measure will support agricultural and forestry related vocational training for agricultural producers, forest owners and persons employed in their farms. The support will be used for the improvement of the technical management skills and practices as well as for the development of skills and transfer of knowledge in the areas of new technologies, renewable energy sources, bio-energy, and bio-farming products. Under axis 4 of the RDP (Leader) training will be provided for representatives of local communities in the rural areas (who will be supported in the elaboration and implementation of local development strategies).

All other types of vocational training will be supported by the ESF (including for those employed in the food processing sector, and training needed to promote economic diversification in rural areas in sectors other than agriculture/forestry, independent of whether the person trained is involved in agriculture/forest sector or not). The investment in vocational training of the employed in the fisheries sector will be carried out under the European Fisheries Fund.

The “Modernization of agricultural farms” measure under axis 1 of the RDP includes investments for upgrading and introducing new technologies and processes aiming at improvement of the quality of farming products output and is targeted at the registered agricultural producers as beneficiaries. Area of intervention 2.3. “Improving the working conditions at the workplace” of the HRD OP does not envisage such investments.

Within the framework of axis 3 “Improving the quality of life and diversifying the employment opportunities in rural areas” the RDP envisages investments aiming to improve the access to essential services and the infrastructure at the rural areas, and investment support for agricultural producers to develop non-agricultural operations generating additional income for the farmers and population in the rural areas. Micro-enterprises in rural areas will also be eligible for investment support under axis 3 of the RDP.

3.6. Indicators for measuring the impact of HRD OP

The impact of HRD OP on the human resources development in Bulgaria will be examined by the following set of key indicators:

Indicators	2006	Objectives till 2013	Lisbon objectives
	%		
Employment rate (age group 15-64)	58.6	64.0	70.0
Employment rate – women (age group 15-64)	54.6	56.0	60.0
Employment rate (age group 55-64)	39.6	42.0	50.0
Unemployment rate (age group 15+)	9.0	6.0	
Youth unemployment rate (age group 15-24)	19.5	16.0	
Long-term (more than 12 months) unemployment rate (% of the workforce)	5.0	4.0	
Early school leavers	20.0	13.0	10.0
Share of persons with completed secondary education ³²	76.5	84.0	85.0
Participation in life-long learning ³³	1.3	5.0	12.5
Persons living in households with an unemployed individual	13.0	10.0	

Special studies will be conducted to measure the impact of the HRD OP over the achievement of the goals set.

³² Percentage of the population aged between 20 and 24 years with completed at least secondary education.

³³ Percentage of the adult population aged between 25 and 64 years involved in education and training.

4. PRIORITY AXES

Priority Axis 1. Promotion of economic activity and development of inclusive labour market

Priority Axis 1 falls within the scope of action of the ESF as set forth in Article 3 (1) (b) of Regulation No 1081/2006.

Objective

Increasing the economic activity and integration of vulnerable groups and inactive persons on the labour market.

Rationale

Increasing the activity rates is a major challenge in order to boost employment and mobilise the existing significant resource pool of inactive persons outside the formal labour market. These challenges have also been identified among the key objectives for policy reform in the framework of the Lisbon Strategy and the National Reform Programme for Bulgaria.

In the past few years a positive trend of decreasing the unemployment among the vulnerable groups has been observed; nevertheless a significant part of them still needs support for improving their potential of employment. The most vulnerable groups on the labour market outlined in the analysis of the OP are the long-term unemployed persons, unemployed young people, unemployed aged over 50, unemployed with low level of education and unemployed without specialty and vocation. Special measures will be developed towards labour market integration of persons out of the workforce. These measures will be formulated on the basis of the results of the special study that will be conducted within the framework of the operational programme and will unveil the reasons for the economic inactivity and formulate the profile of the persons outside the labour force. Effectiveness improvements of the services provided within the employment system and easing the access to such services will also contribute to attracting inactive persons willing to work to the labour market. Active and preventive measures on the labour market will be applied for successful integration of vulnerable groups, taking into account the individual needs and abilities of the persons concerned. The Operational Programme will support activities for integration of vulnerable groups on the labour market and provision of employment, including mediation (job-brokering) services for securing employment, vocational awareness and counselling, motivation training, training for vocational qualification, training for re-qualification, along with involvement into appropriate employment programmes and measures.

Part of the registered unemployed have willingness to start their own business. At this moment there are no consistent and interrelated measures within the framework of the active labour market policy which offer the unemployed persons opportunities to start their own business. To develop their own business, potential entrepreneurs need first of all support to secure start-up capital and training in the following fields: management of micro and small business, training in the line of business to be developed, training in finance and accounting, introduction to the European requirements in the specific business field. For these reasons one of the objectives of the Operational Programme is to support entrepreneurship development through provision of training, consultancy services and assistance for starting up a business. On one hand, this will help integrating potential entrepreneurs in the labour market, and on the other will additionally result in creation of new jobs, thus adding value to the measure.

The target groups and regional scope of implementation of activities will be determined regularly by the Monitoring Committee of the Operational Programme on the basis of monitoring data, conducted studies on the labour market and taking into account the specifics and scope of the accompanying national measures. The specific features of the local labour markets and the actual needs of the target groups will also be accounted for.

Budget of the priority axis: 21% of the total OP budget.

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called “cross-financing” up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. For this priority axis the opportunity for “cross-financing” will be used mainly under the main area of intervention 1.2, where the activities proposed cannot be implemented successfully without the provision of minimum investment support for own business start-up by beginning micro-entrepreneurs (not more than 10% of the amount allocated to the priority axis to be spent under the ERDF rules). In the other main area of intervention, the need for applying “cross-financing” will be assessed at the level criteria for selection of operations and individual project, on the basis of justification provided and the necessity of implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
1.1.Integration of vulnerable groups on the labour market ³⁴	Number of persons receiving job-brokering services	Not applicable	100 000	Number of persons who found work	Not applicable	50 000	MA, EA
	Number of persons who enter a training for acquiring or upgrading the vocational qualification	Not applicable	100 000	Share of persons with acquired or upgraded vocational qualification	Not applicable	80%	
	Number of persons who enter a training for acquiring key competencies	Not applicable	30 000	Share of persons with acquired key competencies	Not applicable	90%	
	Number of persons included in employment after completion of a training	Not applicable	80 000	Share of persons employed 1 year after participation in employment promotion measure	Not applicable	50%	
1.2.Employment through development of entrepreneurship	Number of persons who enter an entrepreneurship training	Not applicable	50 000	Share of persons successfully completed training	Not applicable	80%	MA, EA
	Number of new enterprises established through small business support initiatives	Not applicable	10 000	Number of persons employed in the enterprises established 1 year after completion of the financing	Not applicable	30 000	

³⁴ The activities which implementation shall be measured by the indicators under this area of intervention shall be broken down by different types of vulnerable groups. At the moment the number of persons from vulnerable groups participating in the on-going national programmes and measures has been reported. Details about the participants in ESF co-financed activities shall be provided pursuant to Annex XXIII of Regulation No 1828/2006.

Main areas of intervention

- Integration of vulnerable groups on the labour market
- Employment through development of entrepreneurship

1.1. Integration of vulnerable groups on the labour market

The aim is to ensure successful integration of persons from vulnerable groups on the labour market through literacy courses, training for acquisition of vocational qualification and re-qualification, and securing employment.

Indicative activities:

- Provision of mediation (job-brokering) services for securing employment;
- Provision of training for acquisition of vocational qualification and re-qualification;
- Provision of training in ICT and foreign language training;
- Provision of employment after training;
- Provision of apprenticeship and probation;
- Job sharing and job rotation schemes.

Provision of ***mediation (job-brokering) services*** for securing employment includes activities related to: raising the awareness and consultancy services about the possibilities for motivation and qualification training, elaboration of individual action plans, and referral to appropriate job vacancies, including job vacancies under programmes and measures for employment and training. These actions will be implemented in the context of adapting and reforming the current active labour market policies in order to allow for better targeting of measures and through significantly shifting the emphasis towards qualification and skills upgrading programmes.

Provision of training for acquisition of ***vocational qualification and re-qualification*** will be consistent with the economic conditions and situation on the labour market, and will take into account the individual abilities and preferences of the unemployed person in respect of the profession, type and form of training.

ICT training and foreign language training will be provided in relation to increasing the employability of the persons in the target groups, including long-term unemployed and unemployed aged over 50.

Activities aimed at employment creation will be accomplished through provision of ***apprenticeship and probation*** after an appropriate training, job sharing and job rotation schemes, financial incentives for employers who open new jobs and secure the employment of employees after the completion of training.

Target groups: vulnerable groups on the labour market (long-term unemployed persons, unemployed youth, women out of the labour market due to maternity leave, unemployed over the age of 50, retired people between the age of 50 - 64 looking for a job, unemployed without education, unemployed with low level of education and without specialty or vocation, representatives of vulnerable ethnic groups), inactive persons and job seekers.

Beneficiaries: EA, educational and training institutions and organisations, employers, branch organisations, socio-economic partners, NGOs, centres for information and vocational training, vocational guidance institutions.

1.2. Employment through development of entrepreneurship

The aim is to facilitate entrepreneurship development through provision of training, consultancy services and support for starting up new businesses.

Indicative activities:

- Provision of training for acquisition of entrepreneurial, managerial and business skills;
- Provision of consultancy services for starting up and development of entrepreneurial initiatives;
- Support to unemployed persons for starting up new business.

This includes three types of activities: **provision of training** for acquisition of entrepreneurial, managerial and business skills, including: training for preparation of a business plan, elaboration of a strategy for own business development and management, and provision of training in the specific business field to be developed by the future entrepreneurs.

Support will be available for innovations, creation of new business models in the entrepreneurship field and to **help unemployed in starting up their own business** aiming at creation of jobs in the supported newly established enterprises. This activity shall be realised by implementation of a grant scheme targeted at development of entrepreneurial skills among the unemployed and will be accompanied by granting a limited investment support and by provision of remunerations for the self-employed persons in the initial period of the business start up. Funding will be provided for satellite **consultancy services** aimed at starting up and developing entrepreneurial initiatives, including services for preparing marketing research and analyses, advice on information technologies, advisory services in the field of accounting and finance, advice in relation to the requirements of the national legislation and European standards in the specific business field.

Target groups: job seekers and vulnerable groups on the labour market (incl. vulnerable ethnic groups – Roma etc.), willing to start up a new business

Beneficiaries: EA, micro-enterprises, consultancy companies, NGOs, entrepreneurship development centres, branch organisations, socio-economic partners, educational and training institutions and organisations.

Priority Axis 2. Raising the productivity and adaptability of the employed persons

Priority Axis 2 falls within the scope of action of the ESF as set forth in Article 3 (1) (a) of Regulation No. 1081/2006.

Objective

Increasing in productivity and adaptability of the workforce and its competitiveness within the context of the strategic goals of the Lisbon Strategy.

Rationale

Despite the stable labour productivity growth observed in the past few years, this indicator ranks Bulgaria in the bottom of the list compared to the EU Member States. One of the reasons for the low labour productivity is the low level of involvement of the population in various forms of life-long learning. In 2005 just some 1.3%³⁵ of the Bulgarians aged between 25 and 64 have taken part in education or training (life-long learning), compared to 10.2% for the EU-25. Among the factors affecting negatively the levels of labour productivity and adaptability of the employed are the lack of adequate knowledge in information and communication technologies and foreign languages, as well as the low levels of investments of enterprises in continuous vocational training. Integration of the Bulgarian labour market into the Single European Market, rapid development of new information

³⁵ Source: Eurostat.

and communication technologies and on-going processes of restructuring of the national economy raise questions about the ability of the employed persons to face the changing realities. Hence, requirements of the employers to the workforce are continuously growing, more specifically in terms of skills for handling new production, information and communication technologies, and foreign language skills.

This priority axis is aimed at improving workforce's adaptability and mobility and flexibility on the labour market. The emphasis will be placed on activities for encouraging investments in human capital, both by employers, and by workers and employees. The measures to be undertaken are focused on the life-long learning and strengthening the skills of low-qualified and older-aged employed aiming to lengthen their stay in employment and to improve their adaptability to the knowledge-based economy. Provision of on-the-job and integrated training within the framework of the operational programme is directly connected to Priority 4 "Raising the investments in continuous vocational training" of the National Strategy for Continuous Vocational Training 2005-2010. In this regard the activities foreseen in the operational programme will be included in the annual action plan.

Flexibility on the labour market implies paying special attention to the development and multiplication of new and adaptive forms of organizing labour, enhancing vocational and territorial mobility and promoting development of flexible forms of employment. Part-time employment, employment at flexible hours, for a certain period of time, etc. are necessary to be encouraged as despite the fact that in the labour legislation there are no obstacles, still a few people prefer to make use of the flexible forms of employment. One of the reasons for this is the lower remuneration of these forms of employment in comparison with full-time employment. Territorial mobility will be promoted within the framework of daily traveling related to working in another locality. Since incomes in Bulgaria are still relatively low³⁶, sometimes daily transport expenses are an obstacle for people to work in other localities. Within the scope of this priority axis and in line with Art. 11 of Regulation (EC) 1081/2006, and in cases when at the level of criteria for selection of operations or at the individual project level the need to apply cross-financing is determined, support will be provided for introducing technical progress at the workplace, innovative approaches to the organization of labour and bringing the working conditions at the enterprises in conformity with the standards and requirements of the European market.

The priority sectors and specific activities under this priority axis will be determined regularly on the basis of conducted studies of the employers' needs for training of the employed persons and taking into account the specifics of the respective regions (regional development plans outline the priority sectors for development which are specific for the region).

Budget of the Priority Axis: 18% of the total OP budget

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called "cross-financing" up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. For this priority axis the opportunity for "cross-financing" will be used primarily under the main area of intervention 2.3., where the suggested activities cannot be implemented successfully without the provision of investment support to bring the working conditions at the workplace in conformity with the standards and requirements of the legislation on health and safety at work. For the other main areas of intervention, the need of applying "cross-

³⁶ According to Eurostat data, Bulgaria ranks last among EU countries as regards the level of remuneration. Remuneration in Bulgaria, measured by the parity of purchase power by decile groups, is six-times lower than the EU average.

financing” will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
2.1.Improving the adaptability of employed persons	Number of persons who enter a training for acquiring or upgrading the vocational qualification	Not applicable	200 000	Share of persons with acquired or upgraded vocational qualification	Not applicable	80%	MA, EA
	Number of persons who enter a training for acquiring key competencies ³⁷	Not applicable	85 000	Share of persons with acquired key competencies	Not applicable	90%	
	Number of on-the-job trainings	Not applicable	15 000	Share of employees successfully completed training	Not applicable	90%	
2.2.Promoting the labour market flexibility	Number of persons using stimuli for transportation to the workplace	Not applicable	9 200	Share of persons still employed after completion of the promotion measures	Not applicable	80%	MA, EA
	Number of persons for whom career plans have been developed	Not applicable	7 200	Share of persons transferred in another level of remuneration as a result from the promotion measure	Not applicable	80%	
	Number of persons using stimuli for inclusion in flexible forms of employment (part time employment, job-rotation, flexible working time)	Not applicable	21 200	Share of persons still employed in flexible form of employment after completion of the promotion measures	Not applicable	80%	
	Number of career centers established	Not applicable	10	Number of persons who received vocational information and guidance from career centers	Not applicable	10 000	
2.3.Improving the working conditions at the workplace	Number of employers (enterprises) receiving support for the improvement of working conditions and standards compliance	Not applicable	900	Decrease of occupational accidents and diseases within the supported employers	Not applicable	At least 25%	MA, GLI
				Share of supported employers (enterprises) having workplaces where all occupational risks are eliminated or sufficiently reduced	Not applicable	70%	

³⁷ According to the Framework Requirements for Development of State Educational Requirements for Acquiring Vocational Qualification issued by NAVET, key competencies are: observing the requirements of health and safety at work, ability to work with information technologies, communication skills, team working, entrepreneurship skills, economy knowledge, knowledge on labour law, foreign languages knowledge, psychology knowledge.

Main areas of intervention

- Improving the adaptability of employed persons;
- Promoting the labour market flexibility;
- Improving the working conditions at the workplace.

2.1. Improving the adaptability of employed persons

The aim is to enhance adaptability and competitiveness of employed persons through upgrading the qualification and re-qualification, provision of foreign language training and ICT training, establishment and strengthening the human resource development systems in the enterprises.

Indicative activities:

- Provision of training for acquisition of vocational qualification and re-qualification of employed;
- Provision of training in information and communication technologies;
- Provision of foreign language training;
- Provision of on-the-job training and integrated training;
- Elaboration of human resources management strategies;
- Adoption of advanced and innovative models of organizing labour in the enterprises.

This intervention is targeted at enhancing adaptability of the employed, including older-aged employed who need *qualification upgrading and re-qualification*, gaining foreign language knowledge and skills, as well as skills for handling information and communication technologies.

Employers will be encouraged to expand their investments in continuous vocational training through integrated and *on-the-job training*. Employed persons will be encouraged to strengthen their knowledge and skills in the field of information and communication technologies and in foreign languages.

Support will be available for adoption of modern and *innovative models of organizing labour in the enterprises* and for elaboration of organisational strategies for human resources management, systems for performance assessment and career development of staff and elaboration of programmes for continuous vocational training of the employed persons.

The implementation of activities jointly undertaken by the social partners within the scope of activities described under this area of intervention will be financed.

Target groups: employed persons, including managerial staff, self-employed persons and employees

Beneficiaries: EA, educational and training institutions and organisations, employers, branch organisations, socio-economic partners, research centres.

2.2. Promoting the labour market flexibility

Flexibility on the labour market will be enhanced through interventions in three key directions: encouraging territorial and professional mobility and development of flexible forms of employment.

Indicative activities:

- Provision of incentives for promoting territorial mobility;
- Development of flexible forms of employment;

- Promotion of entrepreneurial initiative;
- Provision of training for encouraging professional mobility;
- Provision of incentives for acquisition of post-graduate qualification;
- Establishment of career development centres.

Activities seeking to encourage *territorial mobility* of the workforce comprise incentives for employers to recruit people from other regions by providing stimuli for transportation arrangements to the workplace. Within this activity transport costs for daily traveling related to working in another neighboring locality will be covered.

The development of *flexible forms of employment* includes: job-sharing, part-time employment, job-rotation, flexible working time and work-from-a-distance schemes. Furthermore, such measures will facilitate better reconciliation of professional and personal life and will improve the labour market participation rates of women. Within this activity the employers will be stimulated to supplement the income of persons who work part-time through provision of support to cover the social insurance and for provision of social benefits.

Enhancing the *professional mobility* covers activities such as development of personal career plans, job-rotation, setting up *career development centres*, provision of training with the aim to support professional development, provision of incentives for gaining post-graduate qualification, encouraging self-employment and development of entrepreneurship.

The implementation of activities jointly undertaken by the social partners within the scope of activities described under this area of intervention will be financed.

The activities under this area of intervention shall be accompanied by measures foreseen in the operational programme's horizontal principle on innovation with a view to address the main reasons for weak labour market flexibility.

Target groups: employed persons (managerial staff, self-employed persons and employees).

Beneficiaries: EA, socio-economic partners, branch organisations, research centres, NGOs, employers.

2.3. Improving the working conditions at the workplace

This main area of intervention aims to bring the working conditions at the enterprises in conformity with the standards and requirements of the European market.

Indicative activities:

- Bringing the working conditions at the enterprises in conformity with the standards and requirements of the occupational safety and health legislation;
- Improving the occupational and health status of the workforce through introducing preventive systems for monitoring and control of the risks for safety and health at the workplace.

Employers will be encouraged to implement activities to *improve occupation conditions in enterprises*, related to the reconstruction and modernization of existing sites, technological processes, machines and equipment, as well as ensuring the safety of working equipment, machines and installations, and etc.

The activities for developing and application of *preventive systems for monitoring and control* of risks related to health and safety at work will include special programmes for: development of integrated systems for management of activities connected to health and safety at work; development of quality standards in the activity involving health and safety at work as part of the quality system

in enterprises; improvement of the professional risk evaluation and control system by application of sectoral and innovative approaches.

Raising the motivation for health and safety at work includes: codes and manuals of good practices for consistent, simplified and effective application of legislation on health and safety at work and for evaluation and control of professional and health hazards; sectoral communication strategies and information campaigns oriented towards all strata of society and reaching to the workplace and the active population; fundamental scientific and applied research on issues connected to health and safety at work and on the impact of hazards.

Employers will be supported with grants in introducing the requirements of social standards in enterprises.

The implementation of activities jointly undertaken by the social partners within the scope of activities described under this area of intervention will be financed.

Target groups: managerial staff, workers and employees, authorities controlling the working conditions, units and services established in support to the employers.

Beneficiaries: employers, institutions and organisations exercising control over the working conditions in the enterprises, NGOs, socio-economic partners.

Priority axis 3: Improving the quality of education and training in correspondence with the labour market needs for building a knowledge-based economy

Priority Axis 3 falls within the scope of action of the ESF as set forth in Articles 3 (1) (d) and (2) (a) of Regulation No. 1081/2006.

Objective

Improving the workforce's employability through high-quality education and training services, effectively performing educational and training institutions and sustainable links between education, vocational training and business.

Rationale

In general, educational services in Bulgaria are not preparing qualified specialists equipped with the necessary knowledge and skills matched to the labour market demands. This is due to the insufficiently flexible curricula, the lagging qualification of the teachers, their inability to work in an inter-cultural environment and the out-of-date teaching methodologies in the general, vocational and higher education.

It is still rare to see utilization of information and communication technologies. Although, according to MES data, in 2006 all Bulgarian schools were equipped with computers, most of them had Internet access, and 92% of the Bulgarian teachers have attended courses in basic computer skills³⁸, modern technologies are still not broadly applied in the pedagogical practice. This imposes the need of undertaking measures to encourage the more productive use of ICT in education. This, along with the measures for upgrading the syllabi in all levels of education and in the vocational training field will lead to improvement of the quality of educational services.

Provision of practical skills and competencies will respond to the new challenges and will increase the successful advancement on the labour market.

Critical aspect of the high-quality education and training is the qualification of pedagogical staff. Because of the absence of reliable career development system, Bulgarian teachers are not adequately motivated to enhance their qualification, they are not open to modern technologies and new teaching/training methods and, generally, the teaching profession is not attractive to the young

³⁸ According to data from the National Strategy for introduction of ICT in Bulgarian schools (2005).

people. The teachers' remuneration system also displays certain problems. All factors mentioned above result in poor quality of teaching and, hence, reflect upon the knowledge and skills gained by the learners. In turn, this draws back their chances for securing proper employment after leaving school. In order to motivate teachers to continuously enhance their competencies, apply modern methods and techniques in the teaching and management process, and to attract more and better qualified young people to the teaching profession, it is necessary to establish an effective career development system, as well to establish a system for differentiated remuneration of the teachers linked to the results achieved.

Effectively performing educational institutions are important prerequisite for provision of high-quality educational services tailored to the needs of society and economy. Modernization for Bulgarian educational institutions requires introduction of management information systems, electronic documentation and electronic educational content at schools, setting up effective mechanisms for education quality assessment and control, and optimization of the school network.

Bulgaria still does not have a well-established and properly functioning national system for internal and external assessment of the quality of education. Such a system needs to be introduced by adopting practices enabling better accountability and transparency, by developing mechanisms for evaluation of pupils and of teachers, and also by attracting the parents into the educational process.

The unfavourable demographic tendencies in the past two decades and migration processes resulted in reduction of the number of children and formation of many small-scale and "merged" classes in certain regions of the country. The National Programme for Development of School Education and Pre-school Upbringing and Preparation (2006-2015) plans for establishment of "focal schools" to attract the pupils from adjacent settlements. Establishment of such kind of schools is related to layoffs of teachers and organizing courses for retraining and additional qualification of the pedagogical staff for working in an inter-cultural environment.

Development of Bulgaria's economy as part of the European knowledge-based economy implies reconsideration and strengthening the ties between education, research and development sector and business. There is a mismatch between the need of the business and the specialists prepared by the higher education schools: more than 60% of the students are studying "traditional" humanitarian sciences, while the number of students in natural sciences, engineering and information specialties is insufficient. According to European Commission data, just about 6.7% of scientists in Bulgaria are involved in the production sector, compared to the average value of this indicator for EU-15 – 49.7%, EU-25 – 47.3% and USA – 80.5%³⁹. In order to stimulate connections between these sectors, it is necessary to set up appropriate mechanisms for encouraging the work of young scientists, PhD students and post-graduate students in the field of applied research.

Budget of the Priority Axis: 20% of the total OP budget.

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called "cross-financing" up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. The need of applying "cross-financing" will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

³⁹ Key Figures 2003-2004; European Commission, Directorate General for Research.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
3.1.Improving the quality of services in education and training	Number/% of teachers/ trainers included in programmes for training and for upgrading the qualification	Not applicable	40% ⁴⁰ of the total number (appr. 47 000)	Number/% of teachers/trainers completed programmes for upgrading the qualification	Not applicable	35% of the total number (appr. 41 890)	NSI, MES, RIE, universities, schools, EQCEC
	Number/ % of educational institutions, introducing the new curricula and syllabi	Not applicable	80% ⁴¹ of the total number (appr. 2 600)	Number/% of pupils/ students completed their education under the new state educational requirements, curricula and syllabi	Not applicable	80% ⁴² of the total number (appr. 750 000)	
3.2.Modernising the education and training system	Number of persons participating in training programmes for external and internal assessment	Not applicable	3 100	Number of persons received evaluator's certificate	Not applicable	3000	NSI, MES, RIE, universities, schools, EQCEC, NAVET
				Share/ % of pupils assessed under programmes co-funded by ESF out of the total number of assessed	Not applicable	30% ⁴³ of the total number (appr. 537 000)	
3.3.Strengthening the ties between educational and training institutions, R&D sector and business	Number/% of pupils/students participating in:	Not applicable		Number/% of pupils/students successfully completed:	Not applicable		NSI, MES, RIE, universities
	- Pupils' internships		30% ⁴⁴ of the total number (appr. 60 000)	- Pupils' internships		25% of the total number (appr. 50 000)	
	- Students' internships		30% ⁴⁵ of the total number (appr. 77 600)	- Students' internships		25% of the total number (appr. 65 000)	

⁴⁰ According to data of NSI, Annual statistical reference book for 2006, total number of teachers, trainers and researchers - 119 694

⁴¹ According to data of NSI, Annual statistical reference book for 2006, total number of educational institutions - 3 370

⁴² According to data of NSI, Annual statistical reference book for 2006, total number of pupils – 932 534

⁴³ According to data of EQCEC the expected number of the pupils to be assessed for the period 2007-2013 is 1 790 000

⁴⁴ According to data of NSI, Annual statistical reference book for 2006, total number of pupils in vocational schools - 200 945

⁴⁵ According to data of NSI, Annual statistical reference book for 2006, total number of students - 258 692

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
	Number of PhD students, post-graduate students and young scientists participating in programmes for development of the scientific potential ⁴⁶	Not applicable	25% of the total number ⁴⁷	Number of PhD students, post-graduate students and young scientists completed programmes for development of the scientific potential	Not applicable	20% of the total number (appr. 1 200)	NSI, MES, universities

⁴⁶ Research programmes related to qualification upgrading of the researchers, access to scientific equipment, data bases, libraries; scientific publications; two-side mobility between the science sector and the business

⁴⁷ According to data of NSI – Total number of PhD students for school year 2005/2006 - 4819

Main areas of intervention

- Improving the quality of services in education and training;
- Modernising the education and training system;
- Strengthening the ties between educational and training institutions, R&D sector and business.

3.1. Improving the quality of services in education and training

The aim is to improve the quality of education and training with a focus on the following indicative activities:

- updating the existing and developing new state educational requirements, curricula and syllabi at all educational stages and levels of education;
- introducing modern information and communication technologies and means into the educational process, and electronic educational content;
- improving the qualification and career development of the pedagogical staff;
- continuation of the introduction of the European Credit Transfer System in the higher education schools and development of this system for the vocational education and training.

The activities included in area of intervention 3.1. aim to improve the quality of education and training. The separation of activities is made while taking into consideration the key differences between the separate directions – subject of ongoing reforms in the educational system of Bulgaria (for example the state educational requirements and the European Credit Transfer System (ECTS) provide for fostering the quality of the educational system in two different stages of the education process and respectively require a different approach. The existing state educational requirements need only updating, while the introduction of (ECTS) is something new for the Bulgarian conditions and there is still need for additional support in the sphere of the vocational training.

Educational requirements at all stages of the educational process, on one side, and foreign language training and ICT training, on the other side, are mutually interrelated, having in view that a large part of the population has language difficulties (most of the software products require the understanding of English). The large scope of possibilities that offers the Internet and also the modern educational methods (on-line, interactive etc.) will remain inaccessible to the pedagogical staff without any focused measures for the development of their ability to work with the new information and communication technologies.

Last, but not least, the improvement of the qualifications and skills of the pedagogical staff should be bound with adequate possibilities for carrier development.

Existing *state educational requirements, curricula and syllabi* at all educational levels do not correspond completely to the acquired vocational qualifications and key competencies and are not in line with the labour market dynamics. The elaboration of state educational requirements, curricula and syllabi needs to be consistent with the new structure of education, adopted with the National Programme for Development of School Education and Pre-school Upbringing and Preparation (2006-2015). The curricula and syllabi of higher and vocational schools should be in compliance with the European Credit Transfer System and with the possibilities for horizontal passability of the system. It is necessary to strengthen the foreign language, computer and practice training. Gaining language skills by all European citizens transformed into a mandatory condition for productive personal and career development. Bulgaria's goal is its citizens to learn at least two foreign languages of the Community and, therefore, among the priorities are activities related to introduction of modern methods for learning foreign languages, encouraging the interest in more active practicing of foreign languages in the educational and training institutions, creation of modern and electronic textbooks and learning aids.

The process of introduction of **ICT** in education must continue. IT training should begin in the initial stage of education. The introduction of ICT in education is not only training to work with new technologies, but also education through them. To this end, there are provisions for updating the existing and the creation of new state educational requirements, as well as curricula and syllabi. Purposeful activities will include the development of electronic education courses, provision of electronic content, training for work with multimedia systems to conduct contemporary education, as well as development of specialized software applications servicing the education and training process. There are plans to establish an information system to monitor pupils' results, as well as to upgrade public registers with the objective of raising transparency in the system of secondary education – a register of diplomas, pupils, etc. This calls for training of the staff in the educational system to work with the new information applications. In the sphere of higher education, the action will be expansion of the register of diplomas, students and lecturers at higher educational schools. The Higher Education module in the information system of the Ministry of Education and Science will be improved and streamlined.

The establishment of conditions for **career development for pedagogical staff** is related to activities for development of mechanisms for differentiation in payment linked to the performance of trainees and to the development of a system for praising the teachers' performance. The resources for the additional financial stimuli to be provided to the teachers are planned within the MES budget. The introduction of a system for career development will create conditions for improving the qualification of teachers and motivation for their efficient participation in the training process. Additional resources are needed to organize courses for initial, in-service and upgrading qualification for teachers/trainers. Of high importance is the elaboration of a program for development of professional competencies of the pedagogical personnel (continuous updating of knowledge, acquisition of new skills and absorption of new teaching and training methods, skills to work in an inter-cultural environment, training in ICT, on-line work, foreign language training, training of adults, etc.). The qualification of teachers shall be conducted in line with the reference levels of the European Qualifications Framework and the 5 qualification levels of Directive 2005/36/EC. Key direction in this field is the building up of a functional model for horizontal and vertical development of pedagogical staff and setting up a national register of qualification of the pedagogical staff. Elaboration of programmes for development of managerial skills of the principals, setting up a system for acquisition of a licensed competence to execute the functions of a school principal, including education and attestation, is envisaged. Of great importance are the centralized provision of scientific educational bibliography and access to specialized databases for the educational and science institutions in all educational domains.

Bulgaria's accession to the EU requires investments in activities for further introduction of the **European Credit Transfer System (ECTS) in the higher education and vocational training**. In the different higher education schools the process has reached different level of implementation and therefore they need to be supported in their efforts to work out and benefit productively from the possibilities granted by the ECTS, particularly in respect of the student and academic mobility which has significant impact not just on the academic and cultural environment in Europe, but also contributes to the economic and social cohesion of EU regions. Vocational education and training system still does not have a credit transfer system. Launching of these processes will be supported by a purpose-oriented policy and extra financial resources. It is expected the credit transfer system to be fully operational within the higher and vocational education system at the end of the programming period (2013).

The respective activities in this field include: introducing an integrated system for accumulation and transfer of credits for life-long learning, developing measurable and comparable indicators for study workload, study results and competencies, encouraging students' mobility on the basis of joint curricula and common (uniform) credit schemes between higher education schools. The activities planned for introduction of ECTS will support the process for development and implementation of National Qualification Framework which will be funded by other EU programmes (Leonardo da Vinci).

Target groups: trainees and trainers, parents, researchers, staff of educational and training institutions.

Beneficiaries: MES, NAVET, EQCEC, NACID, ICE, HRDC, National Pedagogical Centre, National Institute for Training of Principals, educational, training and science institutions, science organisations, socio-economic partners, vocational training centres, municipalities.

3.2. Modernising the education and training system

This area of intervention aims to create modern education and training system and a system for assessment of quality in the context of more effective utilization of the financial resources.

The indicative activities are targeted at:

- introduction of a system for internal and external assessment of the quality of education and training;
- improvement of the accountability and opening the education and training system for integrating the community into the processes of monitoring, control and assessment of the educational services provided;
- optimisation and restructuring of the network of educational institutions.

The activities provided in area of intervention 3.2. are reform oriented and their objective is modernization of secondary school education and change in the financial and management model. The creation of a modern, effective and objective system of external control and quality assessment and compulsory evaluation of the knowledge and skills of the pupils at the end of each educational stage through the organization of national standardized exams which will start in 2006/2007 school year. An obligatory assessment of pupils' knowledge and skills at the end of every educational stage (IV, VII, X, XII grade) through national standardised exams is envisaged. The assessment of the knowledge and skills acquired by the pupils is related to mastering of key knowledge and skills, and better realization on the labor market, improvement of competitiveness and broadening the employment possibilities.

The system for national standardized assessment of the quality of education and training includes activities for elaboration of standards and development of the system for internal and external assessment.

It is planned to *establish a regional infrastructure for external assessment* of the educational and training institutions within the secondary education system. Courses for preparation of assessors will be organised and conducted. A specialized information system will be created in order to manage the assessment system.

The ongoing process of modernization has led to greater transparency and possibilities for broad participation of civil society in the process of accountability, control and evaluation of the educational system. Measures aimed at improving the management of the educational system are related to the negative demographic trend, the necessity of creating incentives for the achievement of better results and the allocation of financial resources.

In view of ***improving the accountability*** and opening the education and training system to the community, it is of critical importance to create mechanisms for public monitoring, control and evaluation of the services provided. Activities in this field envisage strengthening the role of school boards of trustees in compiling the programmes for school development, participation in the procedures for appointment and dismissal of school principals and for recruitment of the pedagogical personnel. The measures aim to transform the school boards of trustees into bodies with real and efficient powers in the financial and managerial fields. Another form of exercising control in respect of the managerial operations is the setting up of school councils comprising representatives of the

parents, teachers and the municipality, with prospects to develop as collective school management bodies. The employers' associations and branch organizations will be attracted into the monitoring, control and evaluation of the trainees' professional competencies, and into the process of upgrading the vocational training syllabi. In the process of improving accountability a set of tools for monitoring the teachers/trainers will be applied as well. An appropriate way of opening the system to the society's needs is to introduce electronic management of administrative operations at the educational and training institutions.

The *optimisation and restructuring* of the network of educational institutions will lead to establishment of focal schools seeking to mobilise resources needed for ensuring high-quality education and training and targeting release of financial resources.

Introduction of the new educational structure will be accompanied by additional measures for establishing the needed educational environment for the children who will travel far from their homes, including school buses, half-day "boarding schools", food provided by the school, etc. It is envisaged to undertake preventive work for consolidation of educational institutions, studying the estimated negative effects and benefits from the optimisation process at educational institutions and servicing units, as well as identifying measures for limitation of the negative impacts such as limited access to educational services, and possibly increasing the number of school dropouts.

The optimisation and restructuring of the school network will be facilitated by the exchange of information and best municipal practices and methodologies. Municipalities' initiative towards optimisation of the school network will be encouraged through financing of programmes for expenditures restructuring. A new system for financing which steps upon the "money follow the learner" model is in a process of introduction. This system will enable identification of the most preferred schools which provide high-quality education and will naturally facilitate the optimization process. At the same time, the measures under Priority axis 4 for improving the access to education will be in direct connection with this process and will be targeted to the regions with closed schools or with no schools at all.

Target groups: trainees and trainers, staff of educational and training institutions, employers.

Beneficiaries: MES, NAVET, NEAA, EQCEC, ICE, NACID, HRDC, National Pedagogical Centre, National Institute for Training of Principals, educational, training and science institutions, socio-economic partners, NGOs, school boards of trustees, municipalities.

3.3. Strengthening the ties between educational and training institutions, R&D sector and business

It is of great importance for the improving of the quality of the Bulgarian education to strengthen the existing relations with the business sector and to establish new ones. The successful realization on the labour market is the best criterion about the value of the acquired education. Though the good results of the single initiatives in this sphere as for example the project of the United State Agency of International Development (USAID) called "Labour market", the education and economy have not found yet a common ground of their interests. That is why in the framework of the HRD OP a serious intervention is planned for strengthening the ties between the educational and training institutions, R&D sector and business.

From one side the investments will motivate young perspective people for their realization in the scientific field (through creating better conditions for carrying out a scientific work and opportunities for improving the qualification) and they will help for strengthening the intellectual capacity of the Bulgarian education. On the other side – strong contacts between educational and training institutions, R&D sector and business are expected to be established.

Area of intervention 3.3. is aimed at the creation of a new generation of highly qualified specialists through enhancing the scientific researches and the development of joint programmes between

universities, scientific organisations and business, and through promoting the interest among the pupils in secondary schools to deal with research activities. On one hand the investments will motivate young and perspective people to work in the science sphere (through better environment for conducting scientific activities and opportunities to improve their qualification) and will assist the strengthening of intellectual potential in the Bulgarian education. On the other hand, it is expected sustainable relations between educational and training institutions, R&D sector and business to be established.

The relation between education and business is dual. The economy is interested in the quality of school and university education and training. However the scope of knowledge and skills offered by the system of education and training can not be defined without the active partnership with business which gives the best possible environment for carrying out the practice and defines the priority fields of the labour market. In this respect the statistics shows a disproportion between the labour market needs and the graduating students, for instance in natural sciences, mathematics, engineering and IT. In percentage terms, in these specialized field is trained smaller proportion of the total number of graduates, while the demand for such specialists increases. During the school year 2006/2007 approximately half of the just started higher education students have been trained in humanitarian subjects – over 60% of their total number while in engineer-technical subjects – they were under 30%. The comparative analysis of the job places offered at the market of qualified labour in 2006 and 2005 shows that in the demand of specialists with priority are engineer-technical specialties (11 380 offered job places at the labour market) which is twice as high as the next area in the list of services is – 5 787.⁴⁸ One should notice the fact that the employers are concerned about the shortness of specialists in the mentioned specialties and about the insufficient practical abilities of the graduates.

All this imposes the investments to be targeted at areas where the need of well prepared specialists is the biggest and determines the scope of the indicative activities to be conducted:

- development of R&D programmes in horizontal scientific organisations and in universities;
- development of practice training mechanisms for pupils and students;
- support the development of PhD students, post-graduate students and young scientists.

Support will be provided for the elaboration of scientific programmes, and the realization of programmes for development of dynamic international teams in interdisciplinary scientific areas. The activity will support the setting up of partnership networks between scientific organisations, universities and the business.

To facilitate transition from school to work activities aimed at arranging for *pupils' and students' internships and probation placements*, involvement of specialists from the business in drawing up curricula, syllabi and training materials, implementation of programmes for promotion of the scientific interest among the students are envisaged. Establishment of career centers in vocational schools will be encouraged, organization of special career days and information seminars will be supported, and investment will be made in creation of connections between employers of the corresponding branch and the specialized school. Suitable forms for similar interaction are internships, involvement of the employers as members of the school boards, etc.

With the aim to encourage and develop the scientific potential of the country it is planned to support activities related to financing of post-graduate training and education through development of *programmes for provision of grant support to PhD students, post-graduate students and young scientists*. Within the framework of the financial support the academic mobility and access to equipment, databases and libraries will be facilitated. Besides, programmes for additional

⁴⁸ (According to Employment Agency data - <http://www.az.government.bg/internal.asp?CatID=25/05&WA=AnaProSurv.asp&YM=2006/Year/3.htm>)

qualification of young scientists will be developed. Creation of scientific networks for exchange of knowledge and experience is encouraged. In compliance with the National Reform Programme within this activity with priority will be natural, mathematical, engineer sciences and informatics.

Target groups: trainees, trainers, staff of educational and training institutions, researchers, representatives of the academic circles.

Beneficiaries: MES, NEAA, NAVET, NACID, Centre for training companies within the secondary vocational schools, science institutions and centres, educational and training institutions, socio-economic partners, employers, branch organisations, municipalities.

Priority Axis 4. Improving the access to education and training

Priority Axis 4 falls within the scope of action of the ESF as set forth in Article 3 (2) (a) of Regulation No. 1081/2006.

Objective

More productive social and labour advancement of the people through improvement of conditions for equal access to education and training and development of a life-long learning system.

Rationale

For the sake of resolving the issue of ensuring more extensive coverage and retaining the children and adolescents within educational system, the HRD OP focuses on three critical areas: a) involvement of the children, especially those from ethnic minority groups and the children with special educational needs (SEN), into the early phases of the educational cycle, b) reintegration of dropouts from the educational system, and c) development of the out-of-class (extracurricular) and out-of school activities system. On one hand, attracting the children to the early educational phases – kindergartens and pre-school education, will facilitate their integration, and on the other – will enable full employment of their parents. Enrolment of Roma children in the kindergartens will enable successful overcoming of the language barrier in early age and, in turn, this will facilitate the children's access to the subsequent education phases. Out-of-class (extracurricular) and out-of school activities seek to develop the children and young people's creative potential and to improve the attractiveness of educational institutions. Furthermore, they create conditions for better organisation of the young people's free time and represent an alternative to the risks of the modern society.

The education and training system in Bulgaria encounters most serious problems in integrating the representatives of ethnic minority groups, particularly those of Roma origin⁴⁹ and the people with SEN. Presently, one fifth of the people of Roma origin do not have even initial education and this is a serious obstacle for their productive advancement on the labour market. The share of university graduates within this group is extremely low on national scale – just about 0.2%, and the percentage of school dropouts – highest compared to the other ethnic groups.⁵⁰ The negative tendency of early school dropout, however, is typical also for the children from remote, rural or hardly accessible (mountainous) regions, for the children of immigrants, for orphans and for other groups at risk. According to Ministry of Education and Science data, 1/5 of the pupils of mandatory schooling age drop out of school every year. This minimises their chances for employment and imposes the need for urgent measures, such as development of alternative training forms that combine elements of the general and vocational education.

⁴⁹ About 10% of pupils in Bulgaria are of Roma origin (“The Roma schools in Bulgaria 2002-2003”, study of “Open Society” Foundation, 2003).

⁵⁰ According to data gathered from the same study: “80% of the children not attending school are of Roma origin and there is already a second generation of completely illiterate individuals, particularly at the municipalities with prevailing number of Roma population”, page 5.

The integration of children of Roma origin will be implemented through measures for deinstitutionalisation and optimization of the school network and establishment of “focal schools” ensured with all-day classes, social measures for assisting socially disadvantaged families and launching measures for facilitating the access to them. During application of the approach for focal schools the ethno cultural specifics of the Roma will be taken into account. Thus the activities targeted at improving the quality of education and training transform into instrument for better equal access to educational services.

Despite the successful introduction of integrated training, still 13 269 children with special educational needs are clients of the specialized institutions. The policy of state institutions is aimed at continuing the process of their integration through establishment of favourable and supporting environment, which includes development of adapted methodologies, specialized preparation of teachers for work with children having special educational needs, changing the attitudes of the society towards integrated training, etc.

Modern economy’s dynamics implies continuous upgrading of the qualifications, learning of new knowledge and skills aiming to ensure greater adaptability and flexibility in line with the labour market needs. According to official data, presently in Bulgaria only just 1.3% of the population in active age (25-64 years) is involved in some form of life-long learning, while the target set in the Lisbon Strategy for EU-27 is 12.5% for 2010. In this respect it is extremely important to establish and develop an efficient life-long learning system capable of stimulating continuous “self-perfection” and facilitating the labour mobility through application of appropriate didactic tools – distance and e-learning, qualification upgrading courses, etc.

Important part of the establishment of a workable life-long learning model is the development of an efficient system for vocational counselling and guidance at the various stages of the educational system. It is necessary to prepare qualified career consultants, trained in compliance with international standards accepted, and to establish working models for cooperation between higher schools, vocational schools and employers. Except their role as unit for professional orientation and motivation of students and pupils, career centers can help to improve the curricula in higher schools and in the vocational schools too, according to the requirements of business and information society.

Special attention should be paid to the illiterate and poorly literate people, for whom it is necessary to organise specialized literacy courses in order to facilitate their subsequent access to further vocational training and, respectively, to more competitive participation in the labour market. Except literacy programmes it is necessary to introduce corresponding programmes for re-qualification and continuous training, according to the needs and changes on the labour market. Using the centers for vocational training as training structures, flexible as regards the specialized training and combining them with effective professional consultancy of the pupils and students will fill the gap of specialists (qualified or less qualified but with specific training) in fields which are priorities for development (tourism, information technologies, alternative methods for energy production, etc.)

Budget of the Priority Axis: 16% of the total OP budget.

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called “cross-financing” up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. The need of applying “cross-financing” will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
4.1. Access to education training for disadvantaged groups	Number/% of educational institutions offering programmes for integration of children with special educational needs	Not applicable	15% ⁵¹ of the total number (appr. 500)	Number/% of pupils with special educational needs integrated ⁵² into the general education	Not applicable	65% ⁵³ of the total number (appr. 5 500)	MES, RIE, MLSP, municipalities, schools, NAVET
	Number of persons participating in measures targeted to prevention of early dropping-out	Not applicable	50% ⁵⁴ of the total number of drop-outs (appr. 93 250)	Number/% of drop-outs reintegrated in the educational system	Not applicable	5% ⁵⁵ of the total number of drop-outs (appr. 9 000)	
4.2. Children and youth in education and society	Number of schools providing out-of-school activities	Not applicable	80% ⁵⁶ of the total number (appr. 2 500)	Number/% of pupils participating in out-of-school activities	Not applicable	50% ⁵⁷ of the total number (appr. 460 000)	MES, RIE, MLSP, municipalities, schools, NAVET
	Number/% of students participating in mechanisms for students support (for instance, loans, new and complementary scholarships)	Not applicable	12% of the total number of students (appr. 31 000)	Number/% of students receiving scholarships	Not applicable	At least 8 000 students	
4.3. Development of the life-long learning system	Number/% of pupils in general education participating in programmes for vocational guidance and career development	Not applicable	50% of the total number (appr. 466 000)	Number/% of pupils in general education completed programmes for vocational guidance and career development	Not applicable	30% of the total number (appr. 280 000)	MES, RIE, MLSP, municipalities, career development centres, NAVET

⁵¹ According to data of NSI, Annual statistical reference book for 2006, total number of educational institutions – 3 370

⁵² Children with SEN who are integrated are those who have been taken out of the specialized schools and who have been educated in general schools (in 2013 the number of integrated children with SEN is expected to be 6 500 children educated in 500 general schools – around 13 per institution).

⁵³ According to data of NSI, Annual statistical reference book for 2006, total number of children with special educational needs, not integrated in the educational system – 8 550 (28 % out of the total 11 850 are integrated)

⁵⁴ According to data of NSI, Annual statistical reference book for 2006, of drop-outs for 2006 - 20 % of the total number (186 500)

⁵⁵ According to data of NSI, Annual statistical reference book for 2006, of drop-outs for 2006 - 20 % of the total number (186 500)

⁵⁶ According to data of NSI, Annual statistical reference book for 2006, total number of general educational schools – 3 169

⁵⁷ According to data of NSI, Annual statistical reference book for 2006, total number of pupils - 932 534

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
	Number/% of students participating in programmes for vocational guidance and career development	Not applicable	50% of the total number of students (appr. 129 000)	Number/% of students completed programmes for vocational guidance and career development	Not applicable	30% of the total number of students (appr. 78 000)	NSI, MES, career centres
	Number/% of students participating in programmes for distance learning	Not applicable	20% ⁵⁸ of the total number of students (51 740)	Share of students completed programmes for distance learning	Not applicable	15% ⁵⁹ of the total number (appr. 38 800)	NSI, MES
	Number/% of adults participating in literacy programmes	Not applicable	appr. 80 000	Number/% of adults completed literacy programmes	Not applicable	40% of the total number (appr. 32 000)	MLSP

⁵⁸ Total number of state owned and private universities in 2006 - 51

⁵⁹ According to data of NSI, Annual statistical reference book for 2006, total number of extramural and distance forms of learning - 74 500

Main areas of intervention

- Access to education and training for disadvantaged groups;
- Children and youth in education and society;
- Development of the life-long learning system.

4.1. Access to education and training for disadvantaged groups

This area of intervention seeks to develop measures facilitating the access and enhancing the motivation for participation in educational process of the vulnerable groups. The focus is placed on ethnic minority groups, persons with special educational needs, dropouts of the educational system and children at risk of dropping out. Activities envisaged comply with the relevant national policies of Bulgaria in this field formulated in a number of strategic documents⁶⁰, and with the European initiatives in the field of integration of third country nationals.⁶¹

Key indicative activities:

- Provision of the necessary conditions and resources for implementation of the ethnic minority groups integration process through desegregation of children from schools with prevailing Roma pupils and reintegration of pupils into regular schools;
- Provision of the necessary conditions and resources for implementation of the persons with special educational need integration process;
- Educational services and activities for potential dropouts, dropouts and pupils not covered by the educational system.

Envisaged are also activities aimed at preparing the children of early age (3-6 year-olds), particularly the children of minority ethnic groups for future productive participation in the educational process. The estimated impact of these measures is in two directions: on one hand, this will create potential for employment and more effective advancement of their parents on the labour market, and on the other hand, early integration into the educational system acts as prevention against dropout during the follow-up educational stages and is a tool for overcoming the language barriers.⁶²

The need for the state and municipal authorities to make special efforts for socialization of children for whom Bulgarian is not their mother tongue becomes more apparent. It is of great importance to successfully take the Roma children out of the so called “Roma schools” and to improve the school environment. The result of this HRD OP intervention shall be the increased number of desegregated pupils.

⁶⁰ Strategy for Educational Integration of Children and Pupils from Ethnic Minorities, approved by the Minister of Education and Science in June 2004, National Reform Programme 2007-2009, Rules of Procedure of the Resource Centres for Support to the Integrated Training and Up-bringing of Children and Pupils with Special Educational Needs (SG No. 77/19.09.2006), National Plan for Integration of Children with SEN and Chronic Diseases within the Public Education System 2004-2007, Public Education Act (most recent amendments and supplementations, SG No. 41/19.05.2006), National Programme of MES for Development of School Education and Pre-school Upbringing and Preparation, etc.

⁶¹ European Fund for the Integration of Third Country Nationals.

⁶² At the moment the Government of the Republic of Bulgaria negotiates on a World Bank loan which to support financially “Social inclusion” project. The interventions for integration of children in early age are priorities also of the “Social inclusion” project. In case it is approved its initial phase which includes also infrastructural component will be funded by World Bank, it will complement the activities foreseen for financing under area of intervention 4.1 of the OP. The resources for the pilot phase of the project (excluding the component for establishment of related infrastructure) will be spent under the HRD OP rules in order to ensure smooth transition between the pilot phase and the subsequent development of the project which will be co-funded by ESF. Subject to the outcome of negotiations on the loan, the infrastructure component of the pilot phase will be financed either by the World Bank or from other sources of funding. In case there is no approval of the loan the “soft measures” envisaged under the pilot phase will be financed by the HRD OP.

The integration of children and pupils from ethnic minority groups is implemented in the so called “regular” schools. In this model the sequence of the desegregation process is determined depending on the situation on the spot: the work starts with the youngest pupils in the preparatory and initial classes, or it will start with the pupils with the highest motivation from different grades but with better social status and motivation of the parents. Measures will be taken for improvement of the environment and creation of modern conditions for physical, intellectual and personality development of the potential of each child targeted towards adequate social integration and subsequent professional realisation. Besides the activities targeted at the full participation of the children from ethnic minority groups, the activities in this area will be aimed at motivating the families from ethnic minority groups for inclusion of their children into the educational process, establishing advisory family centres, Sunday schools, multi-ethnic schools, etc, and extra Bulgarian language training for the persons from ethnic minority groups, elaboration of a specialized methodology to prepare teachers, trainers and experts for working in a multi-cultural environment, provision of additional pedagogical support, activities focused on preserving the cultural identity of ethnic minority groups.

Integration of *persons with special educational needs* requires series of measures with a view to creation of supportive environment for their training: elaboration of methodologies for adapting, creating integrated forms of training, drawing up individual educational programmes, development and application of a specialized methodology for vocational education and training, preparation of complex assessment and counselling teams to work with parents of children with special educational needs, provision of special training equipment and learning aids, organisation of campaigns targeting changes in the public attitude towards integrated training, vocational guidance for persons with special educational needs, etc.

In view of limiting the *number of dropouts and pupils not covered by the educational system* it is envisaged to undertake preventive measures to combat children’ dropping out of school. It is planned to conduct family consultations, affiliate the parents with the school life, and provide food and free textbooks, etc. for children at risk of dropping-out. A system for information gathering, evaluation, control and analysis of the children of mandatory schooling age and mobility of the pupils in terms of classes, stages and levels will be designed and introduced. Simultaneously with the activities targeted at retaining the children of mandatory schooling age, it is planned also to develop a system of measures for attracting children who have already dropped out of school and extra efforts towards children at risk of dropping out. These activities include: adapting the curricula, organizing courses for school dropouts with the aim to facilitate their reintegration, designing alternative training forms, etc. The motivation of children and families to return to the normal education cycle will be implemented by a package of social measures already foreseen in the Bulgarian legislation, for instance: linking the provision of social assistance with the school attendance, specialized support by the school counsellors and psychologists, attracting important persons from the respective community to take part in resolving problems. Special attention will be paid to the measures aimed at prevention of early dropout of Roma children for whom this issue is particularly relevant. The system of social measures will continue developing through additional activities aimed at creating the necessary educational environment for the children who will be travelling away from their place of residence, including coverage of travel costs, kindergarten fees, free of charge textbooks and learning aids, further development of “half-day” boarding forms of training, school catering, etc.

Target groups: persons with special educational needs, representatives of vulnerable ethnic groups (Roma, etc.), orphans, immigrants, children of early age (3-6 year-olds) and their parents, dropouts, teachers, principals, pedagogical councillors.

Beneficiaries: MES, educational and training institutions, kindergartens, NGOs, Centre for Educational Integration of Children and Pupils from Ethnic Minorities, municipalities, resource centres, vocational training centres, off-school pedagogic institutions.

4.2. Children and youth in education and society

This area of intervention is targeted at more extensive coverage of children and adolescents into the educational system, establishing better conditions for their creative expression and developing their potential for future successful advancement.

Key indicative activities:

- expansion of the out-of-class (extracurricular) and out-of-school forms of learning;
- setting up a mechanism and provision of student scholarships and loans with the aim of facilitating the access to higher education.

The creation of appropriate social and economic environment and the promotion of new forms of commitment of the young learners can be attained by activities for **expansion of the out-of-class (extracurricular) and out-of-school forms of learning**. The good traditions in the out-of-class (extracurricular) and out-of-school activities were abandoned in the 1990s and they will recover very slowly without the purpose-oriented support of the state. Activities in this field envisage creation and development of centres, clubs and groups by interest (theatre and drama, arts, music, choirs, discussion and debate clubs, etc.). It is planned to develop a system of inter-school, regional, national and international contests, competitions and Olympiads. Programmes for development of the potential of talented pupils will be supported. Best practices such as pupil's recreation, sport and tourism will be enhanced. During the implementation of such type of activities special attention will be put on children from ethnic minority groups and from underprivileged social background. The measures should give opportunities for all-year-round commitment of the children including during the vacations. The involvement of parents in school projects, competitions and discussions will contribute to the creation of positive atmosphere of mutual respect, tolerance and partnership.

Support will be provided for interactive out-of-class (extracurricular) preparation in various fields not included in the standard curricula (for instance: designing on-line courses applying the means of new information and communication technologies).

In order to stimulate young people to develop their creative potential and to facilitate the access of all social groups to the specialties offered by universities measures for development of the system for students' assistance will be undertaken. The intervention is planned in two main directions which complement each other. On one hand the existing system for students' scholarships provided with financial resources of the state budget will be complemented by using funds from ESF. The aim is to increase the average amount of the student's scholarship which at the moment is too low as well as increasing the number of students receiving scholarship - at the moment less than 10%. The conditions and order for provision of scholarships to students, PhD students and post-graduate students from state owned universities and scientific organisations are defined by Council of Ministers Decree No 90 as of 26.05.2000. According to its requirements the basic criteria for granting scholarships are connected with the social status, incomes of the family and results achieved by the students.

A special working group will be established in order to explore the possibilities for development of different mechanisms for students financing, and in particular for the establishment of Guarantee Fund. The aim is to create opportunity for provision of loans to students under favourable conditions. In the context of the preliminary studies on the feasibility of this mechanism the working group will have the objective to suggest: the model of functioning of the Guarantee Fund, its management framework, a list of universities where students could make use of the loans, the conditions and the criteria for provision of loans.

Target groups: children, pupils, students.

Beneficiaries: MES, educational and training institutions, municipalities, NGOs, community centres, off-school pedagogic institutions, Centre for Educational Integration of Children and Pupils from Ethnic Minorities, sports clubs and youth organisations.

4.3. Development of the life-long learning system

Dynamically developing labour market and globalization in all aspects of the socio-economic life and the current demographic challenges impose new requirements to the employed. Life-long learning is related to continuous enhancement of vocational skills and learning new knowledge, which are an important prerequisite for successful advancement on the labour market and for improvement of the quality of life.

Key indicative activities will focus on:

- Creating a system for vocational guidance and career development;
- Development of the vocational education and training;
- Providing opportunities for making adults literate;
- Development of distance learning forms.

Professional orientation is essential in preparing staff with qualification which meets the labour market needs. The main activities are aimed at developing programmes for early **vocational guidance** at the schools; setting up information and vocational guidance centres and career centres in all higher education and professional schools; designing a toolkit to identify the preferences of pupils in respect of a given vocation, training of pedagogues, sociologists, psychologists. Information materials on professions taught in the secondary education will be developed. They will be accessible by a specialized Internet platform. It is foreseen the publication and dissemination of summarized reference books for secondary and university education as well as organisation of forums dedicated to career and labour market. Activities connected with parental and pupils' consultancy, training of teachers, pedagogical counselors, etc. are also envisaged. The specialized training of career consultants who shall provide professional guidance to pupils and students is of great importance

Presently the initial **vocational education** in Bulgaria is lasting and expensive process. Therefore, it is envisaged to pursue activities aimed at decentralization of supply of initial vocational training elaborated on the basis of the regional and municipal economic development plans, development of flexible forms of vocational education and training, development of curricula for vocational education and training with participation of employers, delivering courses for acquisition of various qualification levels within the educational system, introduction of new VET forms such as "educational parks" or "educational incubators" where various VET providers work together in order to meet the needs of a given company. Measures on recognition of qualifications obtained in the vocational education system, incl. initial vocational education, will be supported.

In order to facilitate the **access of adults** to vocational training and to increase their chances for advancement on the labour market, it is envisaged to support activities targeted at setting up specialized programmes and courses for literacy.

Development of **distance forms** of training will facilitate the life-long learning, as these enable strengthening the vocational skills and competencies without prolonged absence from work and without investing major financial resources. In turn, this will encourage employers to promote this form of upgrading the qualification. Activities to be supported include: training of the teaching, administrative and technical staff on applying distance forms, development and testing of distance courses in cooperation with leading European centres, establishment of virtual libraries, design of computerized and multimedia learning aids, etc. Important part of the distance learning training conduction is the creation of centers provided with the necessary technological equipment.

Target groups: children, pupils, students and adults.

Beneficiaries: MES, educational and training institutions, NGOs, NAVET, HRDC, Centre for Educational Integration of Children and Pupils from Ethnic Minorities, municipalities, socio-economic partners, vocational training centres, National Pedagogic Centre, Centre for training companies within the secondary vocational schools, employers, branch organisations.

Priority Axis 5. Social inclusion and promotion of social economy

Priority Axis 5 falls within the scope of action of the ESF as set forth in Article 3 (1) (c) of Regulation No. 1081/2006.

Objective

Supporting the social inclusion of vulnerable groups through development of network of social services supporting the future integration on the labour market, promoting the social entrepreneurship and strengthening the workforce's capability for work and duration of life in employment through better health.

Rationale

This priority axis will use to the greatest extent the instruments of the social protection and social inclusion system in achieving the goals set in the Lisbon Strategy. In this respect, the measures set out in the National Action Plan on Social Inclusion are considered as one of the pillars in the National Report on Strategies for Social Protection and Social Inclusion of the Republic of Bulgaria for 2006-2008.

Its key principles are as follows:

- Equal opportunities for all;
- Equal access of all to the benefits resulting from the economic progress;
- Equality between men and women;
- Interaction of the social protection and social inclusion policy with the policy for economic growth and more and better jobs;
- Coordinated managerial approach and active involvement in this process of all parties concerned.

The greater part of the measures to be supported in the implementation of this priority axis is set up in the National Action Plan on Social Inclusion. A number of measures in this Plan will be supported under the other priority axes of the Operational Programme. The implementation of this priority axis will allow wider participation of all stakeholders in the process of social inclusion, including the vulnerable groups, which is also one of the main objectives of the National Strategic Report 2006-2008.

The strategy incorporated into the National Report will be backed up by activities facilitating the accomplishment of the key political objectives and measures for social inclusion which go beyond the scope of the remaining priority axes. The focus will be on those stages of personal development of the vulnerable groups where the support is aimed at a preliminary preparation for participation and/or return to the training, professional, labour and social life at a later stage, as well as on seeking alternative approaches for those vulnerable group representatives who need breaking up of the standard forms of support.

The elaborated long-term Municipal Strategies for the development of social services for children and adults will serve as a basis for the implementation of specific measures, addressing specific target groups and will guarantee the sustainability of the achieved results. The actions will be implemented on a territorial principle, and will be bound to the identified specific problems and needs of support activities for the vulnerable groups in the community.

Because of the multi-aspect nature of the social inclusion policy, its strategic priorities within this priority axis will be achieved by focusing on:

1. Promoting equal opportunities for access to labour market for the vulnerable groups via wide range of quality and complex supporting social and healthcare services;
2. Creation of sustainable models for the development of social enterprises and promoting community initiatives for the development of social economy;

3. Encouraging equal opportunities for the vulnerable groups through innovative approaches;
4. Improving the health status of population through improving the access to healthcare services and raising the health culture, especially among vulnerable groups.

Budget of the Priority Axis: 14% of the total OP budget.

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 3 (7) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called “cross-financing” up to 15% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. For this priority axis the opportunity for “cross-financing” will be used primarily under the main area of intervention 5.1., where the suggested activities cannot be implemented successfully without the provision of investment support for development of the enterprises in the **social economy** sphere. For the other main areas of intervention the need of applying “cross-financing” will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
5.1.Support to the social economy	Number of newly established enterprises in the area of social economy	Not applicable	150	Number of persons started who work in the sector of social economy	Not applicable	2 000	MA, SAA
	Number of supported existing forms of enterprises in the area of social economy	Not applicable	180	Number of persons transferred from the social economy sector to the real labour market as a result of integrated social services provided	Not applicable	8% out of the started work in the sector of social economy	
5.2.Social services for prevention of social exclusion and overcoming its consequences	Number of newly provided community-based social services	Not applicable	370	Increased number of persons from specialized institutions re-integrated in the community	161	30 % out of the total number of persons placed in specialized institutions	MA, SAA
	Number of supported existing forms of community-based social services	Not applicable	480	Increased number of community-based social services' providers	867	30 %	
				Increased number of persons receiving social services in family environment	3 893	40%	
				Number of persons who started work after providing care services in family environment for their children and relatives	16 955	30%	
				Increased number of persons benefiting from social services delivered within the community	Not applicable	600, of them 40% women	
		Number of supported specialized institutions for improving the quality of care services provided	Not applicable	210	Increased number of specialized institutions fulfilling the requirements and standards for provision of social services in specialized institutions	Not applicable	
5.3.Employability through better	Number of public information and health prevention campaigns	-	12 annually	Number of people reached by public information and prevention	Not applicable	2 000 000 annually	MA, Ministry of Health

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
health				campaigns			
	Number of campaigns for early diagnosis of socially significant diseases, incl. in remote areas and areas with prevailing population from the socially excluded groups and communities	-	6 annually	Number of health prevention examinations conducted	Not applicable	500 000	

Main areas of intervention

- Support to the social economy;
- Social services for prevention of social exclusion and overcoming its consequences;
- Employability through better health.

5.1. Support to the social economy

The main objective is to foster the development of social economy and to invest in social capital. Efforts will be made towards improvement of the existing model of social economy development. Within this area of intervention support will be granted to existing specialised enterprises and cooperatives of people with disabilities and social enterprises. On the other hand creation of new forms of social enterprises including sheltered workshops, and conditions for activating community and voluntary initiatives, contributing to raising the level of social capital will be supported.

The indicative activities, which will be implemented within the frame of this area of intervention, are differentiated in two main groups:

- Support for the existing specialized enterprises and cooperatives of people with disabilities and social enterprises through development of social entrepreneurship;
- Support for the creation of new social enterprises, specialized enterprises and cooperatives of people with disabilities and creation of conditions for activating community and voluntary initiatives, contributing to raising the level of social capital as innovative production factor in the social economy.

One of the chances for involving people with specific abilities in work activity is through **cooperatives and specialised enterprises of people with disabilities** and social enterprises, including sheltered workshops. Their activity is of primary importance for the social integration of people with disabilities and provides them with a real opportunity to raise their quality of life through development and exercising different working skills. The creation of specialised employment for people with permanent disabilities has a wide scope and may support the people for their inclusion on the real labour market, whenever this is possible. The approach to be adopted for the implementation of the specific objectives aims at increasing the capabilities of the specialised enterprises and cooperatives of people with disabilities, supported employment and the creation of specialised jobs in regular working environment; as well as at specialized labour activities, designated to people with disabilities. The specialised employment provides opportunities to people with disabilities to perform real work activity, while the specialised work activities are social services in their nature, aiming at providing chances to people with disabilities to perform meaningful activity, where no commercial product or a service with real economic contribution is expected. Within the scope of specialised work activities fall people, who are not able to work in a regular environment and have no chance to get a job. Involving such people in this type of activities is essential for their social inclusion – they have a chance for social contacts, have meaningful everyday life, receive authority and hence responsibilities. On the other hand, for their relatives this is a real chance to work and to upgrade, which will contribute to improving their living standards.

Furthermore, it is planned to promote expansion of the measures for **activation and involvement of target group representatives in the provision of social services**, undertaking information campaigns and development of self-help groups and **other volunteer and civil initiatives**. Besides the common labour market, the persons will also be able to get initial preparation for taking part in activities in the social economy field through advisory services for vulnerable groups for the purpose of promoting their inclusion into the social economy development.

The support aimed at the specialised enterprises and cooperatives of people with disabilities, employers and social enterprises is meant to create favourable, accessible and healthy specialised work environment for the target groups.

Within the scope of the planned actions fall:

- Creation of new jobs in the social economy sector and promotion of voluntary and community initiatives, creating employment for people from vulnerable groups;
- Furbishing and adapting job places for people with disabilities and introduction of innovative approaches for e-inclusion in view of the social inclusion of people from the target groups;
- Support for setting up social enterprises through provision of start-up capital linked with creation of jobs for people from vulnerable groups;
- Delivery of motivational trainings for people with disabilities in specialised work environment for acquiring skills for active attitude and work;
- Consultancy services for the development of social entrepreneurship;
- Trainings for improving the management and business skills and introducing good practices in social enterprises, cooperatives and specialised enterprises for people with disabilities;
- Creation of jobs for specialists in the social economy sector;
- Training and qualification of people, working in social enterprises and those who are willing to work there;
- Raising the public awareness about the opportunities and the potential of social economy, social capital and community initiatives for establishing equal opportunities for people from vulnerable groups and their social inclusion.

Target groups: people with disabilities and other socially excluded persons (persons on social assistance, old-aged, representatives of vulnerable ethnic minority groups, persons leaving specialized institutions for provision of social services, persons suffering from various forms of addictions, former prisoners, etc.), representatives of various communities, employees of the social enterprises, cooperatives and specialized enterprises for people with disabilities, others.

Beneficiaries: SAA, APD, SACP, NGOs, specialized enterprises and cooperatives of people with disabilities, social service providers, consultancy companies, employers, municipalities, socio-economic partners, etc.

5.2. Social services for prevention of social exclusion and overcoming its consequences

The aim is widening the possibilities for improving the quality of life of people from vulnerable groups and/or their families, by promoting equal opportunities of the vulnerable groups and by enlarging the volume, diversity and targeting of community-based and institutionalized social services. The emphasis is on expanding the opportunities for securing a job through ***broadening the volume and diversity of social services*** provided within the community in line with the individual needs of those in need, through comprehensive approaches and application of innovative methods in the context of e-inclusion as a social integration tool.

This area of intervention has to be separated from 5. 1. because of the differences in the nature of the activities under the two dimensions. The scope of interventions here is focused on the application of complex social, training and labour therapy programmes for children and adults from the vulnerable groups for their integration in the community, their social inclusion and adapting part of them into activities in the field of social economy. On the other hand conditions will be created for establishing new types of community-based social services and employment will be provided for specialists through creation of new jobs in this field.

Special attention will be paid to the ***development of types of social services***, provided in family environment to dependant family members, due to the fact that in Bulgaria there is a great number of people, who provide care to their dependant relatives (children or adults with disabilities, elderly, etc.) and therefore they are placed in social and economic exclusion thus falling within the scope of

social assistance. Provision of social services in the form of care in family environment will support both the people involved in this activity and the dependant family members and will allow them to take more active participation in the community social and economic life, will also allow to prevent placement in specialised institutions and to include a large group of people into the labour market.

Support for *further development of social services* provided in the existing alternative forms and in the specialized institutions is needed due to the fact that despite what has been achieved so far, a well developed and varied network of community-based services meeting the current requirements is still absent. It is necessary to place an emphasis on provision of services based on individual approach and aimed at improving the personal skills of the people from the vulnerable groups for increasing their capability for participation in work activity. Particular attention will be paid to the young people leaving the institutions for provision of social services.

Special attention will be paid to children aged from 0 to 3, who are in social exclusion (where the parents receive family child allowances or monthly social assistance benefits), aiming at integration of their parents in the labour market and avoiding social exclusion through participation in active labour market measures. At the same time the aim to provide quality social and healthcare services to the children will be pursued.⁶³

Key indicative activities:

- Support for the creation of new and diverse community-based social services, placing the emphasis on the implementation of different programmes for acquiring skills and qualification by people with disabilities and the disadvantaged and creating employment within the community;
- Support for further development of the services provided in the already existing alternative forms;
- Developing forms of social services in support of dependant family members which also facilitate the professional career of the persons looking after such family members;
- Fostering the initiatives for the development of a network of alternative social services for children and families at risk;
- Funding of programmes, improving the quality of the care provided at the specialised institutions for children and adults, with a focus on the social, training and labour therapy work with those placed in them to prepare them for leaving the institutions and their integration in the society;
- Raising the public awareness about the needs of the people with disabilities and the disadvantaged and the opportunities under the different social programmes and community initiatives for establishing equal opportunities for them and their social inclusion and participation in the field of social economy;
- Information campaigns, related to the prevention of child abandonment, opportunities for foster families, placements with friends and relatives, adoption and other types of social services for children and support for the parents;

⁶³ At the moment the Government of the Republic of Bulgaria negotiates on a World Bank loan which to support financially “Social inclusion” project. The interventions for integration of children in early age are priorities also of the “Social inclusion” project. In case it is approved its initial phase which includes also infrastructural component will be funded by World Bank, it will complement the activities foreseen for financing under area of intervention 5.2 of the OP. The resources for the pilot phase of the project (excluding the component for establishment of related infrastructure) will be spent under the HRD OP rules in order to ensure smooth transition between the pilot phase and the subsequent development of the project which will be co-funded by ESF. Subject to the outcome of negotiations on the loan, the infrastructure component of the pilot phase will be financed either by the World Bank or from other sources of funding. In case there is no approval of the loan the “soft measures” envisaged under the pilot phase will be financed by the HRD OP.

- Introducing innovative approaches for e-inclusion and development of e-society in view of the social inclusion of people from the target groups;
- Creating sustainable models of collaboration and interaction of all stakeholders in the process of social inclusion at local and regional level.

Target groups: social services beneficiaries in specialized institutions and in the community (children and adults), people with disabilities, vulnerable ethnic groups (Roma, etc.), persons looking after dependent family members, children and families at risk (poor families, etc.), recipients of social assistance, elderly people, persons leaving specialized institutions for provision of social services, persons suffering from various forms of addictions, former prisoners and other groups at risk of social inclusion.

Beneficiaries: SAA, SACP, Ministry of Health, NGOs, social service providers, consultancy companies, municipalities, etc.

5.3. Employability through better health

The objective is to improve the working capacity and increase the working life duration for the population in active age with the aim to maintain healthy workforce for the purpose of achieving the goals outlined in the Lisbon Strategy. Investments in this area of intervention will contribute to more active participation on the labour market, prolonged working capability, optimization of healthcare and social costs.

Key indicative activities which will be implemented are as follows:

- public information health promotion and health prevention campaigns, including campaigns for prevention of disabilities;
- development and carrying out campaigns for cancer screening;
- development and carrying out campaigns for early diagnosis of socially significant diseases;
- improving the access to healthcare for remote areas and settlements with population predominantly from the socially excluded groups and communities.

During the recent years a number of programmes were developed, which focus on therapy of the most severe diseases. The reform carried out in the primary and inpatient care did not contribute for early discovery and treatment of diseases and to the implementation of control over the related risk factors. The healthcare system focuses mainly on treatment, while promotional and rehabilitation activities are insufficient and do not reach all layers of the population. Support will be provided to ***health promotion and health prevention campaigns*** aimed at health conscious way of living and reducing the hazardous to the health patterns (unhealthy nutrition, reduced physical activity, addiction to tobacco, alcohol and psychotropic substances). Besides, support will be granted to campaigns for combating occupational, transport and domestic traumatism. Targeted activities will be undertaken for raising the awareness about the existing problems, the information about the hazards, consequences and treatment chances, especially for the young people in Bulgaria and for the vulnerable groups.

Important activity is the development and carrying out ***campaigns for cancer screening*** for early diagnosis of cancer diseases (mammary gland cancer, prostate cancer, cancer of the uterus, colon cancer). Special attention will be paid to strengthening the national cancer register, developing a screening register and unified system for monitoring and quality control of cancer screenings, as well as to the campaigns in remote areas.

The wide spread of socially significant diseases and very often their transformation into chronic ones has a diverse impact over the witnessed difference between the life expectancy of Bulgarians

compared to that of the population of developed European countries and additionally reduces the workforce number in the country. Exactly for that reason the development and carrying out ***campaigns for early diagnosis of socially significant diseases*** for Bulgaria will be supported: diseases of the cardio-vascular system, (Acute myocardial infarction, Arterial hypertension and cerebral-vascular disease), diabetes, tuberculosis, sexually transmitted diseases, influenza and acute respiratory diseases. Beside that information campaigns will be supported that will promote observing the prescribed by medical specialists recommendations for prophylactics and treatment of diseases in their early stages.

Important activity is ***the improving of the access to sufficient in volume and in quality healthcare services*** to the population, living in remote and difficult to access areas and to the population from the socially excluded groups and communities. The emphasis will be placed on the creation of conditions for prevention, early diagnosis and outpatient treatment. Special attention will be paid to strengthening and optimising the system for provision of ***emergency medical aid*** in remote and difficult to access areas. Support will be provided to the activities for opening and operation of ***GP practices*** and provision of round-the-clock medical care with deferred urgency in remote and difficult to access areas, in low populated areas and in settlements with ethnic minority communities, as well as to activities, widening the practice of service provision on the spot for the population in remote and difficult to access areas by ***mobile medical teams***. Beside that support will be provided to activities for introducing IT for ***distance healthcare services*** – telemedicine.

Target groups: population in active age, vulnerable population groups (groups at specific health risk, socially excluded groups and communities, people with disabilities, vulnerable ethnic groups – Roma etc.), population in remote areas.

Beneficiaries: Ministry of Health, State Agency for Youth and Sports, NGOs, health service providers, public medical establishments, medical universities.

Priority Axis 6. Improving the effectiveness of labour market institutions and of social and healthcare services

Priority axis 6 falls within the scope of action of the ESF as set forth in Articles 3 (2) (b) and 3 (1) (b) (i) of Regulation No. 1081/2006.

Objective

Improving the effectiveness of the institutional systems in the field of labour market, working conditions, social and health services.

Rationale

For implementation of this priority axis an institutional approach is applied. Each of the intervention areas covers activities related to the institutional and functional structures of the systems, the facilities and equipment and the human resources. All these systems have their own specific needs and this is why they are addressed under different areas of intervention.

The efficient and effective implementation of labour market and social inclusion policies presumes meeting the challenges of the development dynamics of these sectors and the negative demographic trends in the recent years. In view of improving the quality of work of the institutions in charge of providing services to job seekers, unemployed and disadvantaged people, as well as implementing relevant to the conditions policy, the emphasis will be placed on ensuring individual approach to the beneficiaries of the corresponding services and widening their range, proper planning and forecasting of trends, improving the tools for implementing the relevant statutory documents and promoting the development of the staff, engaged in the labour market and social protection and social inclusion systems.

A complex approach will be implemented in regard to creating and maintaining occupational safety and health conditions, as well as developing a prevention culture in all participants in the labour

process. Applying new elements of the statutory basis, systematizing and widening the scope of the tracked information and provision of sustainable sources of reliable data, including strengthening the capacity of the persons/institutions/organizations involved, will lead in its entirety to achieving efficiency in implementing the legislation regarding OSH.

The development of institutional capacity for economic analysis of social policies and to assess their socio-economic impact is also within the focus of the interventions under this priority axis.

The importance of the economic efficiency and the quality of healthcare constantly grows, and the introduction of new technologies and the increased needs of the ageing population increase the demand for healthcare services. The healthcare system should make more efficient use of the existing human resources through better territorial distribution of the medical staff and improving the human resources development in midterm and long-term perspective.

The good healthcare services lead to higher participation in the labour market, longer working life, higher productivity and lower medical and social costs. In view of the cohesion policy, it is important for Bulgaria to improve the conditions for long-term service provision and investment in medical infrastructure, and in particular in the cases, where their lack and insufficient development present main obstacle for the economic growth. Bulgaria should guarantee that increasing the efficiency of the healthcare system will be done through investment in ICT, knowledge and innovations in long life medical learning.

Budget of the Priority Axis: 5% of the total OP budget.

Cross-financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called “cross-financing” up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. The need of applying “cross-financing” will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
6.1. Development and modernisation of the labour market system	Number of persons involved in training	Not applicable	8 000	Share of persons successfully completed a training	Not applicable	90%	MA, EA, GLI
	% of points providing services that introduced new practices and other initiatives for institutional development	Not applicable	60%	Reducing the time for servicing clients	Not applicable	by 10%	
6.2. Strengthening the capacity of institutions for social inclusion and for provision of health services	Number of persons involved in training	Not applicable	12 000	Share of persons successfully completed a training	Not applicable	90%	MA, MLSP, SAA, SACP, APD, Ministry of Health
	% of points providing services that introduced new practices and other initiatives for institutional development	Not applicable	50%	Increasing the share of persons from target groups receiving services	Not applicable	by 20%	

Main areas of intervention

- Development and modernisation of the labour market system;
- Strengthening the capacity of institutions for social inclusion and for provision of health services.

6.1. Development and modernisation of the labour market system

Improving the quality and efficiency of the employment services provided will be implemented through modernising the work of institutions and providers, operating on the labour market, and in the field of the working conditions on national and regional level, as well as improving the interaction with the educational and the vocational training systems, in order to achieve compliance between the human resources quality and the opportunities for their full professional fulfilment.

Key indicative activities:

- Applying contemporary forms of organising the service provision to customers – service provision following the principle of “one-stop-shop” (opportunities for access to technology, self-service in the LODs front offices for job search) and e-services for employment.
- Preparing regular analyses and topical surveys on the condition and development of labour market in Bulgaria;
- Preparing forecasts on the workforce supply and demand;
- Carrying out impact assessments of labour market policies;
- Developing information and communication systems at national level with an opportunity for producing information and reports in real-time;
- Training of employees within the employment system at national and regional level (MLSP and second-level budget spending units, involved in carrying out the labour market policies and occupational safety and health);
- Preparing regular analyses and assessments of the working conditions;
- Strengthening the capacity of the system controlling the observance of labour legislation;
- Building up specialised organisation for occupational safety and health;
- Distribution and introduction of good practices in the management and in the operation of the active labour market institutions.

A new work model has been developed to improve the quality of services provided to citizens. This model is based on the optimization of processes and activities, which forms the main services, standardisation of operations and identifying the necessary resources; introducing a system for tracking the results. It is envisaged to introduce the process model of service provision in 100 “Labour Office” Directorates within the framework of the Operational Programme. With the aim to provide relevant and timely services to the job-seekers and employers ***regular analyses and topical surveys*** of the situation on and the development of the labour market in Bulgaria will be carried out, as well as forecasts for the labour market supply and demand needs at local, regional and national level. In order to enhance the effectiveness of the implemented labour market policies, assessments of their impact will be carried out at regular intervals.

The ***strengthening of the capacity of the system controlling the observance of labour legislation*** aims at the development and improving the quality and efficiency of work and to guarantee efficient application of labour legislation. The capacity of the control system will be strengthened through the delivery of specialised trainings for upgrading the qualification of labour inspectors, development and implementation of flexible forms of control, provision of materials and equipment for the inspection activities. It is necessary to develop a unified national information system in the field of

occupational safety and health which would cover the enterprises and the companies, including the nature of their activity, would systematize the occupational risks, the level and the dynamics of occupational traumatism, and which should be integrated with the informational systems of the National Social Security Institute, the Ministry of Environment and Waters and the Ministry of Health.

The establishment of a National Centre for Occupational Safety and Health will create conditions to carry out R&D activity, analyses and forecast, training and certification of staff.

Target groups: staff of labour market institutions at national and regional level, control authorities, institutions and organisations exercising control over the working conditions in the enterprises, socio-economic partners.

Beneficiaries: labour market institutions at national and regional level, control authorities, institutions exercising control over the working conditions in the enterprises.

6.2. Strengthening the capacity of institutions for social inclusion and for provision of health services

The objective is to improve the capacity and efficiency of the institutions working in the field of social and health services, as well as to promote inter-institutional cooperation and interaction with the relevant private service providers. With a view to the new priority for deinstitutionalisation and the changes in the management of the existing institutions in the direction of their restructuring and transformation into community-based services, this main area of intervention will improve the capacity of the entire range of social and health services providers.

In regard to the above the key indicative activities are aimed at:

- Raising the professional capacity and motivation of employees, involved in the field of social and health services (institutions, social and health service providers), as well as development and implementation of systems, providing upgrading knowledge and skills, in compliance with the specific care for the individual groups of social service beneficiaries;
- Improving the vertical and horizontal coordination between institutions in the field of social services and their interaction with providers of such services;
- Improving the control, through also strengthening the civil society control in the sphere of provision of services;
- Designing and commissioning of information services and databases in the SAA structure, which would cater for the system for social services provision;
- Elaboration of monitoring systems, systems for efficiency assessment and assessment of the impact of social and healthcare services, programmes and legislation;
- Introduction of good management practices and activities in the institutions and providers in the field of social and healthcare services in terms of improved services to vulnerable groups;
- Informing the institutions and providers of social and healthcare services about the training opportunities, vocational qualification, development and application of information systems, databases and everything, related to the management of provision of such services;
- Establishment of modern models for inter-institutional interaction and cooperation, and also with the civil sector;
- Activities related to strengthening the professional capacity of the employees in the units, responsible for forming the social protection and social inclusion policies under the framework of the open method of coordination in that area.

The decentralization of the social service system has turned to be a serious challenge regarding the capacity of the people involved in that activity – the SAA and the SACP structures, the personnel providing care for the services users, the service providers themselves and the municipalities. In regard to that, the development of a system for ***on-going vocational qualification and motivation of people, involved in the sphere of social services***, will be supported, and also, the elaboration and implementation of systems, providing upgrading knowledge and skills, consistent with the specific care for the different groups of social services users. Trainings will be financed for working with people with specific abilities and children and families in risk, for working in multiethnic environment with emphasis to Roma community, for strategic planning on municipal, regional and national level for development of social services for children and adults, development and management of projects in the sphere of social services, management of social services and others. Good management practices and activities will be introduced in institutions and providers of social services.

In regard to ***improving the control*** the monitoring systems concerning the services to adolescent people and the services to children will be strengthened,. Considering that, the capacity of the system for child protection on regional and local level will be strengthened. The design of new monitoring systems, evaluation of effectiveness and impact assessment of the social services, programmes and legislation in that area will be financed. With a view to better service and coordination in the sphere of social services, information systems and databases within the SAA and SACP structures will be developed and introduced.

In the area of ***strengthening the capacity of institutions and improving the qualification of healthcare services providers*** the following actions will be supported, on the basis of long-term strategic decisions regarding the human resources in the healthcare: establishing an independent institution for accreditation of all programmes and activities, which are part of the continuous medical training in the country; development and application of criteria and transparent procedures for application and accreditation of programmes and institutions, delivering continuous medical training; elaboration of mechanism for transfer of credits from EU Member States and/or other countries; partnership between institutions for post-graduate training and international institutions, delivering continuous medical training, creation and maintenance of registers of medical staff in the Ministry of Health and the branch organisations and development of transparent procedures for electronic exchange of data between different registers. Trainings for increasing the professional capacity and also introduction of good clinical and management practices for the personnel, involved in the sphere of public health services, and also for working with socially vulnerable groups will be supported.

The establishment of an ***effective network and models for inter-institutional cooperation and coordination, and also increasing the cooperation with the civil society sector*** is an important condition for improvement of the access to social and health services and their efficient development in the whole country. In view of informing the institutions and social and healthcare services providers about the opportunities for training, vocational qualification, development and application of information systems, databases and everything related to the management and provision of these services will be supported. Activities will be initiated to provide access to integrated databases and unified information systems, which allow information provision in real-time.

In view of the importance of the open method of coordination in the area of social protection and social inclusion, it is also necessary to be undertaken measures for ensuring the adequate participation of Bulgaria in that process. In regard to that, the process for improvement of the institutional organization was initiated, in the context of better governance. Activities for capacity development for formation of policies, replication of good practices, improved coordination and others, can be supported under that area of intervention.

Target groups: social workers in the field of social services, medical specialists and healthcare specialists, staff of public institutions (specialized institutions and community-based services)

involved in the process of social and healthcare service provision, providers of social and healthcare services and their staff.

Beneficiaries: MLSP and its secondary budget spending units, Ministry of Health and its secondary budget spending units engaged in social and health services, SACP, etc.

Priority Axis 7. Transnational and interregional cooperation

Priority Axis 7 falls within the scope of action of the ESF as set forth in Article 3 (6) of Regulation No. 1081/2006.

Objective

Providing a platform which will allow all stakeholders to benefit from the lessons learned under EQUAL, as well as to exchange ideas and plans on the best ways to use the ESF in the following policy fields: employment, education and training, social inclusion, administrative capacity, sound management of projects and programmes.

Rationale

The principle of the EQUAL Community Initiative on transnational and interregional cooperation has been set in this Operational Programme as a separate priority axis. This has been done in order to achieve higher cost efficiency of the transnational and interregional cooperation during the implementation of the Operational Programme. The projects to be financed under this priority axis require different approach in their management, reporting, monitoring and evaluation.

The reasons to include transnational and interregional cooperation as a separate HRD OP priority axis include the advantages it affords to the Member States regarding their opportunities to develop the knowledge and skills of the various stakeholders beyond the nationally enabled limits, to enhance international interaction and cooperation in the priority areas of intervention, to establish formal and informal networks of interaction within the EU, to develop alternative perspectives for design and implementation of priorities and actions, to find common solutions to common problems, etc.

The priority axis will build a platform for organisations, national and regional institutions to learn from the experience in other countries or regions in a well-established and organised way by exchanging ideas, knowledge, know-how and staff, and through joint development, implementation and financing of projects where an added value may be expected.

The priority axis will stimulate directly and support innovations, and will promote the dissemination and transfer of innovative results in the policies applied and in practice. The key effect of applying the transnational and interregional cooperation will be observed in the development of relevant solutions to address identified needs in ways that are more cost-effective and time-efficient than they would be if only national/internal approaches were applied.

Regulation No. 1081/2006 (Articles 3 and 9) provides the legislative framework for transnational and interregional actions. The following types of activities will be co-funded under the OP: 1) observations, studies and surveys of developments in other Member States or third countries, including study visits and placements; 2) assessment, peer reviews, benchmarking of relevant practices and performance in other Member States or third countries; 3) dissemination and sharing of information, experience, good practices and lessons learnt, e.g. through publications, events, networks, twinning arrangements; 4) exchange of programme and project managers, staff, trainers, trainees, representatives of stakeholders; 5) import, transfer and adaptation of models and practices from abroad; 6) joint or coordinated development, testing or validation of services, products or support systems; 7) coordinated joint actions; 8) sharing experience on the ground.

The intervention models to be applied in the implementation of this priority axis are listed below:

- Collaboration between projects in different Member States;

- Collaboration between networks and partnerships focusing on specific issues or problems;
- Collaboration between national, regional and local institutions and organizations (including ESF Monitoring Committees, Managing Authorities and Intermediate Bodies in the Member States).

Bearing in mind the national scope of the operational programme municipalities/groups of municipalities could develop partnership projects with the respective partners in other countries.

Budget of the Priority Axis: 2% of the total OP budget.

Target groups: members of the Monitoring Committee, staff of public authorities, , MA, IB, socio-economic partners, NGOs, municipalities, social enterprises, community centres, representatives of various communities, educational, training and science institutions, science organisations, employers, branch and sectoral organisations, etc.

Beneficiaries: public authorities, Monitoring Committee, MA, IB, socio-economic partners, NGOs, municipalities, social enterprises, community centres, representatives of various communities, educational, training and science institutions, science organisations, employers, branch and sectoral organisations, etc.

Indicators

Output indicators			Result indicators			Source of information
The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
Number of exchange programmes developed and networks created	Not applicable	200	Number of new practices exchanged, best practices transferred, exposure of partners to new ideas	Not applicable	70	MA, IBs, partner administrations in other countries
Number of persons involved in transnational and interregional exchange programmes	Not applicable	1 500				

Priority Axis 8. Technical assistance

The HRD OP Technical Assistance is a separate horizontal priority axis targeted at supporting the effective management and implementation of HRD OP according to the EU requirements. The Technical Assistance will be utilized in line with Article 46 of Regulation No. 1083/2006. The implementation of this priority axis will contribute to:

1. More effective transition from the management of pre-accession programmes to the EU Structural Funds, in particular the ESF management;
2. Development of adequate systems and administrative capacity for management, monitoring, control and evaluation of the Operational Programme in the Managing Authority, Intermediate Bodies and other institutions involved in the process of programming, management and implementation of the HRD OP;
3. Improvement of the strategic planning mechanisms in the sector and further development of the multi-annual programming approach;
4. Achievement of OP objectives and priority axes to the greatest extent and high rates of absorption of ESF financial resources.

Budget of the Priority Axis: 4% of the total OP budget.

Cross - financing

Achievement of objectives of this priority axis implies comprehensiveness of the operations to be supported, i.e. involving interventions typical for both the ESF and ERDF. Therefore, on the grounds of Article 34 (2) of Regulation (EC) No. 1083/2006, certain activities will be funded in conformity with the ERDF rules (the so-called “cross funding” up to 10% of the expenditures on priority axis level), provided that they are necessary for the satisfactory implementation of the operations and are directly linked to them. The need of applying “cross-financing” will be assessed at the level of criteria for selection of operations and individual project, on the basis of the justification provided and the necessity for implementing such type of activities and expenditures for the successful implementation of the proposed intervention.

Indicators

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
8.1.Support for HRD OP Management	Staff of the MA and IBs and members of the MC involved in training	Not applicable	100%	Certified expenditures under HRD OP	Not applicable	100%	MA, IBs
	Number of assessments, studies and surveys	Not applicable	20				
8.2.Assistance for Information and Promotion of HRD OP	Number of information campaigns for the respective programmes for financing (TV, radio, printed media)	Not applicable	70	Accomplishment of the preset indicators for the other HRD OP priority axes	Not applicable	100%	MA, IBs
8.3.Strengthening the capacity of potential beneficiaries	Number of potential beneficiaries involved in trainings/information events	Not applicable	5 000	Certified expenditures under HRD OP	Not applicable	100%	MA, IBs

Main areas of intervention

- Support for HRD OP Management;
- Assistance for Information and Promotion of HRD OP;
- Strengthening the capacity of potential beneficiaries.

8.1. Support for HRD OP Management

The main objective is to ensure effective management, implementation, control, monitoring, evaluation and audit of the HRD OP through financing of the respective supporting activities including expenses on provision of physical and technical arrangements, equipment and materials, preparation, selection, evaluation and monitoring of the support and the operations, audits and on-spot checks, on wages, including social security payments, for civil servants and personnel, hired on terms of a proper documented decision by the competent authority to execute functions related to the management, implementation, monitoring and evaluation of the HRD OP, on provision of external expert support at all stages of implementation of the OP, on support for project proposals assessment.

The main focus will be targeted at continuous strengthening of the administrative capacity of the staff from the units responsible for the HRD OP management and the supporting physical and technical arrangements for carrying out their tasks and duties.

The financial resources of the Technical Assistance will support the process of on-going and ex-post evaluation of the Operational Programme for the 2007-2013 programming period, as well as the ex-ante evaluation and the elaboration of the programming document for the next programming period. Envisaged are also specialised researches and studies needed for the programming and re-programming purposes, and such related to the evaluation of the effective and efficient utilization of the ESF financial resources and to the assessment of the impact of the measures supported under the HRD OP on the human resources development in Bulgaria.

The area of intervention will also focus on building the administrative capacity of the staff in MA and IBs through trainings, study visits in Member States, internships in the European Commission and Managing Authorities and Intermediate Bodies from other Member States, etc. Regarding the IBs' employees on regional level the resources from the Technical Assistance will be targeted to strengthening the administrative capacity of the people working in the units, performing functions for implementation and management of the HRD OP.

Cost will be covered for participation in meetings/ sessions of the different Committees, Working Groups, Networks, etc. related to the activities for management and implementation of the Operational Programme.

Target groups: staff of the HRD OP Managing Authority, Intermediate Bodies, representatives of the Monitoring Committee, Project Evaluation Committees, Internal Audit Units, Planning Units, institutions executing control over the implementation, and other institutions engaged in the programming, management, monitoring and evaluation of HRD OP.

Beneficiaries: HRD OP Managing Authority and Intermediate Bodies.

8.2. Assistance for Information and Promotion of HRD OP

The aim is to develop information and promotion tools suitably adapted to the needs of the HRD OP recipients and potential final beneficiaries through: special seminars and training events for promotion of the Operational Programme, dissemination of information regarding the opportunities for application and the ways to receive ESF co-financing for a project, for project management in conformity with the EU and national regulatory framework, etc.

Also, the area of intervention will support the material and technical support of the OP publicity activities, including design and publishing of information materials.

This area of intervention will support activities described in detail in the Communication Strategy and in the relevant Communication Plan.

Target groups: representatives of HRD OP target groups, beneficiaries, staff of the Managing Authority, Intermediate Bodies, and other institutions engaged in the programming, management, monitoring and evaluation of HRD OP.

Beneficiaries: HRD OP Managing Authority and Intermediate Bodies.

8.3. Strengthening the capacity of potential beneficiaries

The aim is to provide conditions for achievement of OP objectives and priority axes at a maximum level through high rates of absorption of ESF financial resources. The assistance will be utilized to provide potential HRD OP beneficiaries with maximum amount of information and skills on how to apply for assistance, on project development, implementation and reporting. This objective will be achieved by holding specific trainings and seminars.

Target groups: potential beneficiaries of the HRD OP, as described in all priority axes and key intervention areas.

Beneficiaries: HRD OP Managing Authority and Intermediate Bodies.

5. HORIZONTAL PRINCIPLES

The Operational Programme implementation will contribute to the fulfilment of the main horizontal principles of the ESF support for the period 2007-2013, as well as to the application of the leading principles of the Integrated Community Guidelines on Cohesion and the Guidelines of Community Initiative EQUAL. These include:

- Gender equality and non-discrimination based on gender, race, ethnic origin, religion or beliefs, disabilities, age or sexual orientation – a mandatory integral part of all policies and practices financed under the structural assistance;
- Innovations and mainstreaming – developing new approaches and sharing best practices in the implementation of various policies;
- Partnership – inclusion and empowerment of all stakeholders in the processes of programming, implementation and evaluation of programmes and projects;
- Sound programme and project management;
- Sustainable development.

All stated principles will be applied in the course of implementation of the Operational Programme, and the extent of their fulfilment will be reported through the monitoring and evaluation systems. In the process of Operational Programme implementation the needs of establishing individual units/bodies responsible for the compliance with and fulfilment of the stated principles will be analyzed.

To achieve a high level of public awareness regarding the horizontal principles, the Communication Strategy of the Operational Programme shall comprise enough details with regard to the beneficiaries' capacity to apply the stated principles. In the process of development of detailed rules for Operational Programme actions implementation, there will be an emphasis on the actual application of the horizontal principles.

5.1. Ensuring gender equality and non-discrimination

Gender equality and prevention of discrimination is an obligatory part of every Operational Programme. The Integrated Guidelines for Growth and Jobs 2005-2008, as well as the Community Strategic Guidelines on Cohesion 2007-2013, being an integral part of the Lisbon Strategy, emphasise that antidiscrimination and support to gender equality are crucial for achieving the goals of full employment, increased economic activity and reduced unemployment.

In compliance with Art. 16 of Regulation No 1083/2006, in the process of management of the HRD OP will be guaranteed that the gender equality and the integration of the principle of equal opportunities will be encouraged in the course of the different phases of the implementation of the Operational Programme.

The respective measures will be undertaken for prevention of all kinds of discrimination, based on gender, race or ethnic origin, religion or beliefs, disabilities, age or sexual orientation in the course of the different phases of HRD OP implementation and especially regarding the access to financing. In particular, the access for people with disabilities is one of the criteria that would be followed when identifying operations, co-financed by ESF and that should be taken into account in the period of the different phases of the implementation.

In HRD OP all actions aimed at enhancing economic activity, employment, education, qualification and social inclusion are compliant with the principles of gender equality and non-discrimination in all phases of the project cycle. Throughout programme implementation, all actions will focus on

setting up adequate instruments facilitating the effective implementation of this principle in the context of each Operational Programme priority axis.

By incorporating the principle of gender equality, efforts will be made not only to implement actions targeting women, but to pursue achievement of equality that will affect the situation of both women and men.

In order to guarantee that the Managing Authority has the capacity to effectively implement the principle of gender equality and non-discrimination, the following procedures are to take place:

- The principle of gender equality and non-discrimination is to be monitored and evaluated at the levels of the individual project, and relevant priority axis. Reporting is to be based on the performance indicators set for the particular level of the Operational Programme for which the reporting or impact assessment are being made;
- Funding special studies and assessing the effectiveness and impact of horizontal principles, including gender equality and non-discrimination;
- Funding trainings on the role of the principle of gender equality and non-discrimination in the context of the HRD OP. These trainings will target participants at different levels – Managing Authority, Intermediate bodies, Monitoring Committee, socio-economic partners, NGOs, beneficiaries;
- Development and dissemination of various compendiums of best practices and manuals on the core principles of gender equality and non-discrimination;
- Consulting beneficiaries on forms and ways to incorporate the principle of gender equality and non-discrimination in their proposals;
- Incorporating the principles of gender equality and non-discrimination in the process of selection and award of projects/activities to be funded under HRD OP.

The mechanism for keeping the principles of gender equality and antidiscrimination protection are described in details in the manual and internal rules of the Managing Authority and the Intermediate Bodies, taking into account the direction of the Act on Protection against Discrimination.

5.2. Innovation and mainstreaming

This principle ensues from the necessity to apply a more strategic approach to programming and implementation of programmes co-funded by the ESF in the period of 2007-2013. Regulation No 1083/2006 requires each Member State to support the development and implementation of innovative activities. In this context the principle constitutes an integral part of the general process of reform and is directly linked to the targets of providing more and better jobs by inclusion of a wider range of innovative actions contributing to the achievement of the Lisbon objectives. The principle aims primarily to find the best forms of investment in human resources, to guarantee the inclusion and equal access of all groups in the labour market and integrate best practices in programming, implementation, monitoring and evaluation of the OP.

In the HRD OP different elements of innovative activity will be supported within each priority axis. In that context, at priority axis level, up to 5% of the funds will be allocated for financing activities related to innovations and policy application. This rule shall not be applied in cases when the respective priority axis foresees the implementation of specific innovative activities.

Periodically the Monitoring Committee of HRD OP will take decision about the priority themes of special invitations for selecting of applications connected with development of innovations and mainstreaming. The implementation of this principle will contribute to improving current policy instruments and practices, as well as best practice dissemination.

The key indicative thematic areas of innovative approaches, based on the socio-economic analysis, included in the HRD OP are:

Labour market policies:

- Development of different innovative instruments, approaches and technologies (including ICT) promoting creation of more and better jobs;
- Actions to promote labour market flexibility via specific schemes enhancing the opportunities to reconcile career and family life and developing flexible employment systems;
- Developing a variety of loan instruments supporting self-employment and starting up new businesses by unemployed and inactive persons;
- Implementing best European practices for safety and health at work in the enterprises;
- Innovative approaches to joint actions of and cooperation between labour market institutions, in education, healthcare and the social services at the national, regional and local level.

Education and training policies:

- Developing a variety of community initiatives in the field of education and training and ensuring wide collaboration between educational/training institutions and the general public, including with regard to the monitoring, control and evaluation of the quality of service provision;
- Developing innovative forms of education/training service provision, including by full integration of ICT in the learning process, promotion of non-formal and mobile learning, and development of new learning methods and approaches to meet the needs of knowledge-based economy;
- Developing loan instruments to facilitate the access to education and training of vulnerable groups and to support research and development projects;
- Developing approaches and mechanisms to deepen and optimise interaction between businesses and education/training institutions at the regional and local level;
- Enhancing the interaction and cooperation between the Bulgarian and international research community, including best practice dissemination.

Social inclusion policies:

- Enhancing complex community-based social and healthcare services;
- Developing the social economy sector, including by developing loan instruments to promote social entrepreneurship.

All actions included in the innovation groups above will be considered innovative activities. The indicative groups of innovative approaches will ultimately be approved by the Monitoring Committee which will approve innovation criteria.

The developed monitoring and evaluation systems will account for the level of innovation of each project, programme and activity, will assess regularly the progress of each innovation activity and will seek adequate ways to disseminate results and best practices, including by designing and publishing brochures, organising seminars, etc.

In order to guarantee that the Managing Authority is capable of effectively applying the principle of innovation promotion and mainstreaming, the following procedures shall be carried out:

- Studying the experience of other Member States in the field of innovation development and implementation;

- The principle of innovation and mainstreaming shall be subject to monitoring and evaluation at individual operation level. Reporting will be based on the performance indicators set for the respective financed operation for which the reporting or impact assessment are being made;
- Funding of special studies and assessing the effectiveness, impact and multiplication opportunities for the particular actions, included in the innovation and mainstreaming principle;
- Developing and circulating a variety of compendiums of best practices in the field of innovation and mainstreaming;
- Consulting beneficiaries with regard to the forms and ways of incorporating the principle of innovation in their proposals;
- Incorporating the principle of innovation in the process of selection and award of projects/activities to be funded under the HRD OP.

One of the major instruments for implementation of the principle for innovation is Priority Axis 7 “Transnational and interregional cooperation”.

5.3. Partnership and empowerment

Applying the principle of partnership and empowerment is a key element of all Structural Funds interventions. Regulation No. 1081/2006 (Article 5) requires each Member State to encourage partnership as a crucial element of good governance. At project level, the Regulation requires adequate participation and access of social partners and NGOs to activities funded under HRD OP, as well as the funding of certain activities to build up the capacity of the social partners and of the activities jointly undertaken by the social partners with regard to the improvement of adaptability of workers and enterprises. The main goal of this principle is to ensure the inclusion and access of the socio-economic partners and other stakeholders in the preparation, implementation, monitoring and evaluation of ESF support.

In the HRD OP the partnership principle extends its scope over all actions and covers all project cycle phases. In addition, the principle of partnership is considered both centrally and locally. The application of this principle will improve the mechanisms for experience and knowledge sharing among stakeholders, build up opportunities for more creative ways to address problems, allow a more effective management of actions based on multiple dimensions (involving a wide range of stakeholders or perspectives) and multiple levels of intervention (national, regional and local) and guarantee high level of compliance of selected actions with real needs.

The partnership principle has been achieved at the level of HRD OP programming by the following mechanisms:

- Active participation of socio-economic partners, academic community members and representatives of NGOs from a variety of fields in elaborating the HRD OP;
- The regional authorities have been consulted in the course of developing HRD OP priority axes;
- Three working groups have been formed to develop different HRD OP priority axes, involving stakeholders under different priority areas;
- In the period 10-28 July 2006 eight public discussions for HRD OP have been held in the six planning regions – Plovdiv, Vidin, Ruse, Varna, Sofia and Burgas, and two public discussions on specific issues concerning Roma and social inclusion. Following the principle of wide representation and partnership, over 550 representatives of the interested organisations and institutions from the regions took part in the discussions.

The partnership principle is ensured at the level of HRD OP implementation by means of the following mechanisms:

- In the course of individual action implementation, criteria shall be developed to evaluate proposals with incentives to partnership;
- Socio-economic partners and NGOs are identified as key beneficiaries in a number of OP funded actions;
- In observance of Art. 5 (3) of Regulation (EC) No. 1081/2006 no less than 1% of the budget of OP HRD will be used to finance activities jointly undertaken by the social partners to enhance the adaptability of the workers and the enterprises.

The observance of the partnership principle during the HRD OP monitoring and evaluation will be guaranteed by the following mechanisms:

- The principle of partnership shall be subject to monitoring and evaluation at the individual project level, as well as at priority axis level. Reporting shall be based on the performance indicators set for the particular level of the Operational Programme for which the reporting or impact assessment are being made;
- The socio-economic partners and NGOs are sitting on the HRD OP Monitoring Committee.

At national level, the principle of partnership is ensured via the effective implementation of all abovementioned mechanisms. At regional and local level, the principle of partnership is ensured also by the implementation of actions promoting community initiatives. These actions represent a new governance approach, which guarantees that OP interventions meet local needs in the best possible way and are supported by the representatives of different sectors – public, private and non-governmental. Those actions targeted at communities are underpinned by the bottom-up approach, whereby the communities identify their own priorities and participate actively in all project-cycle phases.

5.4. Sound programme and project management

The sound programme and project management concept in the context of HRD OP is reflected by the following two key elements:

- Transparency – decisions made and results of their application should conform to the enforced rules and legislation. This means that the relevant information is available and implies free access of those who may be affected by the decisions made and results of their practical application. This means also that information is presented in an easily comprehensible form and is disseminated through channels expected to outreach all stakeholders concerned;
- Efficiency – fulfilment of preset objectives meets the needs of the society with the best possible utilization of available resources.

Attainment of high levels of transparency and efficiency, in combination with other elements such as accountability, effectiveness, abidance by the legislation, etc. represents, in its entirety, fulfilment of the sound management principle.

The HRD OP will provide support for activities related to attainment of transparency and efficiency, primarily through:

- research, statistics, expert assessment, coordination of various units, dialogue between relevant public and private units/bodies, training needs assessments, social audit procedures;

- application of open government principles, training of managerial and expert staff, support for service providing agencies, inspectorates and socio-economic organisations.

5.5. Sustainable development

Sustainable development is a comprehensive long-term goal of the EU built in the Treaty establishing the European Union. The EU Sustainable Development Strategy adopted by the European Council in Goetheborg in June 2001 and revised in June 2006 aims to achieve lasting improvements of the quality of life both for the present and for the future generations through creation of sustainable communities capable of efficiently managing and utilising resources and benefiting up to a maximum extent from the economy's potential in terms of natural environment and social innovations, by ensuring prosperity, environment protection and social cohesion. Lisbon Strategy is closely related to the EU sustainable development objectives.

The sustainable development objectives and planned outcomes promoting dynamic economy with full employment and high levels of education, healthcare, social cohesion and utilization of massive potential for innovations have been taken into account in the process of HRD OP programming. Thus, implementation of the HRD OP will contribute to the following key objectives of the EU Sustainable Development Strategy:

- Social justice and cohesion
To promote a democratic society which facilitates social inclusion and cohesion, good public health, security and justice, respects the fundamental rights and cultural diversity, creates equal opportunities and combats discrimination of any kind.
- Economic prosperity
To promote a prosperous, innovative, knowledge-based, competitive and environmentally-friendly economy which ensures high living standard along with full and high-quality employment within the EU.
- Environmental sustainability
To promote activities that make a positive contribution to protecting and enhancing environment such as waste reduction and recycling; energy conservation and efficiency; sustainable development awareness and where appropriate and possible specific training; delivery of environmentally focused projects; environment management training.

The HRD OP interventions will focus on the following factors facilitating sustainable development:

- Ensuring full and high-quality employment;
- Promoting innovations;
- Decreasing the number of people in poverty risk;
- Increasing labour market participation rates of women, older-aged workers, disabled people and migrants;
- Encouraging higher employment rates among youth;
- Reducing the number of early school leavers and ensuring high education levels for the population;
- Encouraging life-long learning;
- Promoting healthy lifestyle and disease prevention.

The sustainable development principle will be observed at individual project level, where applicable, where this may include:

- Activities supporting sustainable development in the social aspect – poverty reduction, creation of uniform quality of life standards, meeting the basic needs of all people;
- Activities supporting sustainable development in the economic aspect – promoting sustainable economic growth by avoiding permanent harm to the natural resources;
- Activities supporting sustainable development in the environment aspect – minimizing the unfavourable effects of the human activity and utilizing the natural resources in a manner which guarantees their subsequent self-renewal. In the courses for qualification and/or training additional modules will be included regarding protection of environment and raising awareness in that field. The rate of projects and activities having one or more environmental awareness raising components will be periodically monitored and reported.

The focus will be primarily on:

- Funding specialized efforts for research and assessment of effectiveness, impact and potential for multiplication of activities incorporating the sustainable development principle;
- Advising the beneficiaries on the forms and ways for incorporating the sustainable development principle in their proposals;
- Incorporating the sustainable development principle in the process of evaluation and selection of projects to be supported under the HRD OP.

6. AREAS OF ASSISTANCE WITH REGARD TO THE ROMA COMMUNITY

HRD OP puts an emphasis on resolving the problems of vulnerable groups as a whole, and of the ethnic minority groups, including Roma. In this sense, all actions, aimed at improving levels in economic activities, employment, education, qualification, social inclusion, equal access to social and health services adhere to the principles of equality among all citizens in the Republic of Bulgaria. In the course of implementation of all actions, included in the Operational Programme, a particular emphasis shall be put on the establishment of adequate instruments, to allow for an effective coping with the specific issues for each of the target groups.

One of the basic sources that will provide those adequate instruments is the system for monitoring and evaluation of the implemented measures, targeted to the Roma community that was developed under NCCEDI. The system will include database from RCCEDI, that is currently established in the 28 districts, and the information provided by the state institutions, carrying out the Roma integration policies. This mechanism follows the approach for systematic collection of information and analysis of the measures for achieving social cohesion. Based on information, received from the monitoring and evaluation system (needs surveys), positive measures targeted to the Roma community will be applied, and part of them should be financed by the HRD OP.

Therefore, during the programming phase of the HRD OP, specific issues of the Roma ethnic community, which require an individual approach in order to be resolved, have been given due consideration. The Strategy of the Operational Programme in the area of human resources development corresponds to the specific needs of all vulnerable groups' representatives in the field of labour market, education and training, access to social and healthcare services.

In order to resolve those issues the operations under HRD OP will be complemented by the corresponding interventions envisaged in the "Regional Development" OP and, most of all, through activities aimed at ensuring better living conditions and contributing to the social inclusion of disadvantaged and vulnerable communities.

The main areas of intervention envisaged to be implemented under HRD OP, and their target groups, where particular attention is paid to vulnerable groups' representatives, including Roma are as follows: 1.1., 1.2., 4.1., 4.2., 4.3., 5.1., 5.2., 5.3.

Priority axis I is targeted at integration of all unemployed in the labour market, improving unemployed people motivation for active participation and stimulating entrepreneurship. Tangible, specific activities, which could be applied towards Roma integration in the labour market, comprise the application of a tailored approach by the staff of the Labour Offices, providing services to areas populated with Roma communities and encouragement of equal opportunities; motivating and supporting unemployed Roma persons to visit the former; the creation of work related habits among long term unemployed through attending Motivation Raising Courses and Targeted Employment Programmes; consultation on and assistance in creating opportunities for self-employment through starting up their own business; through combining of initial literacy courses with the acquiring of a vocational training certificate; improving their social skills.

Priority axis IV envisages actions to enhance the education levels of vulnerable groups through improving their access to those services and improving their educational level. The specific activities in this direction will be targeted at overcoming the high percentage of children dropping out from the educational system, as well as including those children who have never visited school; providing opportunities for children from the Roma residential areas to get quality education in schools either in their areas and outside those areas in order to get integrated in society and to reduce the risk for their exclusion from the labour market in future; developing of adequate measures for pupils' motivation; literacy and providing opportunities for continuing education for representatives of the Roma community, who are in active working age.

In the framework of Priority axis V, a specific and targeted approach towards social integration of vulnerable people, aimed at the needs of the separate target group is adopted. The ethnic minority groups, as target groups are paid special attention in 5.1., 5.2 and 5.3. Through interventions in the areas, already described, it is aimed to improve the opportunities for integration, by ensuring employment and by increasing the variety of social services, which are provided in the community, in accordance with the individual needs of every person.

In view of the deteriorated health status of the Roma population, 5.3 will have a particular focus on improvement of health culture, will strengthen prevention and prophylactics practices, and will increase access to medical care, all of which are aimed at improving working capacity and working life duration.

In the course of implementing the activities under HRD OP, a special attention will be paid to the improvement of the capacity of public institutions in the field of labour market, education and training and the provision of social and healthcare services to work with representatives of the Roma community. Provisional activities in this field aim to improve the effectiveness of provision of services through creation of additional skills of the personnel, employed to work in the community. The involvement of ethnic representatives with adequate education in direct work with the community will be encouraged.

The impact of interventions targeted at the Roma community under the HRD OP will be evaluated with series of assessment studies. Monitoring of the progress will start with a specialized study in the very beginning of OP's implementation.

To account for the impact of HRD OP on the Roma community, some specific information will be collected through expert assessment based upon the following set of indicators targeted at the social inclusion of Roma:

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
1.1.Integration of vulnerable groups on the labour market	Number of Roma receiving job-brokering services	Not applicable	30 000	Number of Roma who found work	Not applicable	50%	MA, EA
	Number of Roma who enter a training for acquiring or upgrading the vocational qualification	Not applicable	20 000	Share of Roma with acquired or upgraded vocational qualification	Not applicable	80%	
	Number of Roma who enter a training for acquiring key competencies	Not applicable	2 000	Share of Roma with acquired key competencies	Not applicable	90%	
	Number of Roma included in employment after completion of a training	Not applicable	35 000	Share of Roma employed 1 year after participation in employment promotion measure	Not applicable	50%	
1.2.Employment through development of entrepreneurship	Number of Roma who enter an entrepreneurship training	Not applicable	10 650	Share of Roma successfully completed training	Not applicable	80%	MA, EA
	Number of new enterprises established through small business support initiatives	Not applicable	2 100	Number of persons employed in the enterprises established 1 year after completion of the financing	Not applicable	6 300	
3.1.Improving the quality of services in education and training	Number/% - teachers/ trainers participating in programmes for intercultural education and working in multicultural environment	Not applicable	20%* of the total number (appr. 19 000)	Number/% of teachers/ trainers completed successfully programmes for intercultural education and working in multicultural environment	Not applicable	90 % of the participants	NSI, MES, RIE, universities, schools, EQCEC
4.1.Access to education and training for disadvantaged groups	Number/% of children of Roma origin participating in programmes for desegregation	Not applicable	70%** of the total number (appr. 63 000)	Number/% of children of Roma origin integrated in general schools	Not applicable	30% out of 63 000 (appr. 20 000)	MES, RIE, MLSP, municipalities, schools
4.2.Children and youth in education and society	Number/% of children of Roma origin participating in programmes for intercultural education	Not applicable	20% of the total number of pupils participating in out-of-school	Number/% of children of Roma origin completed programmes for intercultural education	Not applicable	18% of the total number of pupils participating in	MES, RIE, MLSP, municipalities, schools

Area of intervention	Output indicators			Result indicators			Source of information
	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	The indicators describe only results from ESF funded measures	Baseline value 2006	Target value 2013	
			activities			out-of-school activities	
5.1.Support to the social economy	Number of Roma covered by the measures in the area of social economy	Not applicable	10% of the total number participating in the operations	Number of Roma dropped out from the monthly social assistance programmes	Not applicable	30%	MA, SAA
5.3.Employability through better health	Number of public information and health prevention campaigns conducted in detached Roma neighborhoods	Not applicable	4 annually	Number of people reached by public information and prevention campaigns	Not applicable	200 000 annually	MA, Ministry of Health
	Number of campaigns for early diagnosis of socially significant diseases in areas where Roma population is concentrated	Not applicable	4 annually	Number of people reached by campaigns for early diagnosis of socially significant diseases	Not applicable	20 000 annually	

The progress related to these indicators will be reported regularly by the HRD OP IBs and through specialized purpose-oriented surveys.

*According to data of NSI, Annual statistical reference book for 2006, total number of teachers – 95 760

** According to data of NSI, Annual statistical reference book for 2006, total number of children of Roma origin – 90 000

7. FINANCIAL PLAN

The financial plan and the distribution of the financial resources among the HRD OP priority axes is elaborated on the basis of a discussion within the Working group responsible for OP elaboration and is prepared on the following criteria:

- Needs of the respective intervention field
- Amount of the national resources for achieving the respective policies
- Contribution towards the objectives of the OP, NSRF and the National Development Plan
- Contribution towards the objectives of the Lisbon Strategy

1. Financing plan of the operational programme giving the annual commitment of each fund in the operational programme

Operational programme reference (CCI⁶⁴ number): 2007BG051PO001

Year by source for the programme, in EUR

	Structural Funding (ESF) (1)	Cohesion Fund (2)	Total (3) = (1) + (2)
2007			
In regions without transitional support	75 037 629		75 037 629
In regions with transitional support	Not applicable		Not applicable
<i>Total 2007</i>	75 037 629		75 037 629
2008			
In regions without transitional support	109 845 411		109 845 411

⁶⁴ Code Commun d'Identification

	Structural Funding (ESF) (1)	Cohesion Fund (2)	Total (3) = (1) + (2)
In regions with transitional support	Not applicable		Not applicable
<i>Total 2008</i>	109 845 411		109 845 411
2009			
In regions without transitional support	149 567 231		149 567 231
In regions with transitional support	Not applicable		Not applicable
<i>Total 2009</i>	149 567 231		149 567 231
2010			
In regions without transitional support	157 605 005		157 605 005
In regions with transitional support	Not applicable		Not applicable
<i>Total 2010</i>	157 605 005		157 605 005
2011			
In regions without transitional support	168 731 388		168 731 388
In regions with transitional support	Not applicable		Not applicable
<i>Total 2011</i>	168 731 388		168 731 388
2012			
In regions without transitional support	179 919 856		179 919 856
In regions with transitional support	Not applicable		Not applicable
<i>Total 2012</i>	179 919 856		179 919 856

	Structural Funding (ESF) (1)	Cohesion Fund (2)	Total (3) = (1) + (2)
2013	191 082 619		191 082 619
In regions without transitional support			
In regions with transitional support	Not applicable		Not applicable
<i>Total 2013</i>	191 082 619		191 082 619
Total in regions without transitional support (2007-2013)	1 031 789 139		1 031 789 139
Total in regions with transitional support (2007-2013)	Not applicable		Not applicable
Grand Total 2007-2013	1 031 789 139		1 031 789 139

2. Financial plan of the operational programme giving, for the whole programming period, the amount of the total financial allocation of each fund in the operational programme, the national counterpart and the rate of reimbursement by priority axis

Operational programme reference (CCI number): 2007BG051PO001

Priority axes by source of funding (in EUR):

	Community Funding	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate	For information	
			National Public funding	National private funding (d)			EIB contributions	Other funding
	(a)	(b) = (c) +(d)	(c)		(e) = (a) + (b)	(f) = (a)/(e)		
<i>Priority axis 1</i> Promotion of economic activity and development of inclusive labour market ESF Public	216 675 719	38 236 892	38 236 892	Not applicable	254 912 611	85%	Not applicable	Not applicable
<i>Priority axis 2</i> Raising the productivity and adaptability of the employed persons ESF Public	185 722 045	32 774 478	32 774 478	Not applicable	218 496 523	85%	Not applicable	Not applicable
<i>Priority axis 3</i> Improving the quality of education and training in correspondence with the labour market needs for building a	206 357 828	36 416 087	36 416 087	Not applicable	242 773 915	85%	Not applicable	Not applicable

	Community Funding	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate	For information	
			National Public funding (c)	National private funding (d)			EIB contributions	Other funding
	(a)	(b) = (c) +(d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/(e)		
knowledge-based economy ESF Public								
<i>Priority axis 4</i> Improving the access to education and training ESF Public	165 086 262	29 132 870	29 132 870	Not applicable	194 219 132	85%	Not applicable	Not applicable
<i>Priority axis 5</i> Social inclusion and promotion of social economy ESF Public	144 450 479	25 491 261	25 491 261	Not applicable	169 941 740	85%	Not applicable	Not applicable
<i>Priority axis 6</i> Improving the effectiveness of labour market institutions and of social and healthcare services ESF Public	51 589 457	9 104 022	9 104 022	Not applicable	60 693 479	85%	Not applicable	Not applicable
<i>Priority axis 7</i>	20 635 783	3 641 609	3 641 609	Not applicable	24 277 392	85%	Not applicable	Not applicable

	Community Funding	National counterpart	Indicative breakdown of the national counterpart		Total funding	Co-financing rate	For information	
			National Public funding (c)	National private funding (d)			EIB contributions	Other funding
	(a)	(b) = (c) +(d)	(c)	(d)	(e) = (a) + (b)	(f) = (a)/(e)		
Transnational and interregional cooperation ESF Public								
<i>Priority axis 8</i> Technical assistance ESF Public	41 271 566	7 283 217	7 283 217	Not applicable	48 554 783	85%	Not applicable	Not applicable
Total	1 031 789 139	182 080 436	182 080 436	Not applicable	1 213 869 575	85%	Not applicable	Not applicable

8. MANAGEMENT OF HRD OP

This chapter outlines the arrangements concerning the implementation system of the HRD OP in line with the requirements specified in:

- Council Regulation (EC) No 1083/2006 of 11 July 2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and repealing Regulation (EC) No 1260/1999;
- Regulation (EC) No 1081/2006 of the European Parliament and of the Council of 5 July 2006 on the European Social Fund and repealing Regulation (EC) No 1784/1999;
- Commission Regulation (EC) No 1828/2006 of 8 December 2006 setting out rules for the implementation of Council Regulation (EC) No 1083/2006 laying down general provisions on the European Regional Development Fund, the European Social Fund and the Cohesion Fund and of Regulation (EC) No 1080/2006 of the European Parliament and of the Council on the European Regional Development Fund. The Regulation 1828/2006 will be applied in the specific implementation of all activities, functions, responsibilities and processes described below.

8.1. Institutional framework

8.1.1. Managing Authority

With Council of Ministers' Decision No. 965 as of 16.12.2005, the "European Funds, International Programmes and Projects" Directorate within the Ministry of Labour and Social Policy was designated as Managing Authority for HRD OP which will be responsible for managing and implementing the operational programme efficiently and effectively. In accordance with Article 60 of Regulation No. 1083/2006, the MA will be responsible for:

- a) ensuring that operations are selected for funding in accordance with the criteria applicable to the operational programme and that they comply with applicable Community and national rules for the whole of their implementation period;
- b) verifying that the co-financed products and services are delivered and that the expenditure declared by the beneficiaries for operations has actually been incurred and complies with Community and national rules; verifications on-the-spot of individual operations may be carried out on a sample basis in accordance with the detailed rules to be adopted by the Commission in accordance with the procedure referred to in Article 103 (3) of Regulation No. 1083/2006;
- c) ensuring that there is a system for recording and storing in computerised form accounting records for each operation under the operational programme and that the data on implementation necessary for financial management, monitoring, verifications, audits and evaluation are collected;
- d) ensuring that beneficiaries and other bodies involved in the implementation of operations maintain either a separate accounting system or an adequate accounting code for all transactions relating to the operation without prejudice to national accounting rules;
- e) ensuring that the evaluations of operational programmes referred to in Article 48 (3) are carried out in accordance with Article 47 of Regulation No. 1083/2006;
- f) setting up procedures to ensure that all documents regarding expenditure and audits required to ensure an adequate audit trail are held in accordance with the requirements of Article 90 of Regulation No. 1083/2006;

- g) ensuring that the Certifying Authority receives all necessary information on the procedures and verifications carried out in relation to expenditure for the purpose of certification;
- h) guiding the work of the Monitoring Committee and providing it with the documents required to permit the quality of the implementation of the operational programme to be monitored in the light of its specific goals;
- i) drawing up and, after approval by the Monitoring Committee, submitting to the Commission the annual and final reports on implementation;
- j) ensuring compliance with the information and publicity requirements laid down in Article 69 of Regulation No. 1083/2006.

In addition to the specific functions of the HRD OP Managing Authority listed above, it is responsible, in particular, for:

- Ensuring that all institutions involved in the HRD OP management and implementation have sufficient technical and administrative capacity to ensure full compliance with their designated tasks;
- Carrying out monitoring and evaluation of the HRD OP;
- Carrying out control over the proper execution of tasks delegated to Intermediate Bodies with the signed Inter-institutional Agreement;
- Carrying out *ex-ante* control over the Intermediate Bodies' designated tasks until the moment of signing a contract between the respective Intermediate Body and the final beneficiary, as well as over the amendments and addendums to these contracts. The *ex-ante* control shall ensure that operations selected for funding are in accordance with the criteria applicable to the operational programme and for the whole duration of the implementation they comply with applicable Community and national rules;
- Ensuring that EU funded expenditure is properly accounted for and managed;
- Maintaining the data in the Unified Monitoring Information System;
- Ensuring that the assistance from the Funds is consistent with the activities, policies and priorities of the Community;
- Managing and implementing the Operational Programme's operations, the implementation of which has not been delegated to IBs;
- Ensuring the proper functioning of the data transfer and information access for the operations under the HRD OP in close co-operation with the Ministry of Finance, which retains the main responsibility for the financial management system and supervises the effectiveness of work of the Structural Funds and the Cohesion Fund common monitoring data base;
- Implementing financial management and control systems. These systems should ensure verification of declared by the beneficiaries expenditures, including all forms of co-financing, their approval and transfer to the Certifying Authority together with appropriate endorsement of the eligibility of expenditures;
- Transferring applications for payment for ESF disbursement of expenditure to the Certifying Authority in compliance with any instructions which this Authority may issue;
- Making proposals on re-allocation of funds within HRD OP, submitting them for approval to the HRD OP Monitoring Committee and then to the European Commission;
- Ensuring provision of information on HRD OP and publicity (Article 69 of Regulation No. 1083/2006);

- Undertaking on-the-spot checks;
- Ensuring the availability of all documentation related to projects within Operational Programme implementation at least for a period set in the relevant EU Regulations.

The Managing Authority has regional structures that undertake functions on management and implementation of HRD OP at regional level. The arrangements regarding the functions and responsibilities equally apply to the regional offices of the MA.

The management system will be flexible and appropriately simplified without prejudice to the principle of sound financial management. The programme should be managed in an efficient, reliable and honest way. The co-operation between the institutions and social partners will ensure the implementation of transparent procedures consistent with the regulatory basis for the HRD OP.

8.1.2. Intermediate Bodies

The HRD OP Managing Authority delegates with Inter-institutional Agreement to IBs certain tasks for managing certain priority axes or main areas of intervention. However, the Managing Authority retains the overall responsibility for the efficient and effective management and implementation of the Operational Programme.

The following institutions are Intermediate Bodies for HRD OP:

- Employment Agency;
- Social Assistance Agency;
- Ministry of Education and Science.

In addition to their functions in the financial implementation and control, described below, the Intermediate Bodies are responsible *inter alia* for:

- Undertaking a procedure for collecting and evaluation of project proposals;
- Organising the project selection to be financed under HRD OP;
- Concluding contracts with beneficiaries under the conditions approved by the Monitoring Committee;
- Undertaking of on-the-spot checks for determining the proper execution of activities set in the contract concluded between the Intermediate Body and the beneficiary;
- Preparing regular reports on the HRD OP implementation and submitting these reports to the Managing Authority;
- Collecting information on the detected irregularities and submitting it to the Managing Authority, informing about the process of recovering payments made by IBs and/or by beneficiaries to sub-contractors, preparation of an annual report on irregularities detected during the implementation of the programme;
- Preparation of annual forecast of the likely applications for payment for the current financial year and the subsequent financial year and submitting it to the Managing Authority;
- Ensuring the establishment of human resources capacity at regional level with responsibilities connected to the implementation of delegated to the Intermediate Body tasks locally;
- Storing all documentation related to the project implementation within the HRD OP at least for a period set in the relevant EU Regulations.

The closer specification of functions and tasks of the Intermediate Bodies delegated by the Managing Authority will be elaborated in the Inter-institutional Agreements on delegation of responsibilities for HRD OP implementation.

In the cases where the Intermediate Body is also a beneficiary under a certain operation, distribution of the functions will be provided and appropriate audit trails will be established to guarantee transparent spending of funds and avoiding conflict of interests.

8.1.3. Beneficiaries

Beneficiary means an operator, body or firm, whether public or private, responsible for initiating and/or implementing operations. In the context of aid schemes under Article 87 of the Treaty, beneficiaries are public or private firms carrying out an individual project and receiving public aid. Types of potential beneficiaries are identified for each area of intervention in the Operational Programme.

Beneficiaries participating in the implementation of projects co-financed from the ESF are responsible *inter alia* for:

- Prevention of double funding of the concrete project;
- Proper and correct execution of activities set in the signed with the Intermediate Body or with the Managing Authority contract;
- Carrying out all tender procedures in compliance with applicable Community and national rules;
- Ensuring that the public is informed of the EU co-financing of projects under the HRD OP;
- Drawing up regular project implementation reports including evaluation of the project impact and submitting it to the respective Intermediate Body or to the Managing Authority;
- Storing all documentation related to the project implementation at least for a period set in the relevant EU Regulations.

8.1.4. Certifying Authority – functions and responsibilities

Certifying Authority of the Operational Programme is the “National Fund” Directorate of the Ministry of Finance. With regard to Article 61 of Regulation No. 1083/2006, the Certifying Authority will be responsible for:

- a) drawing up and submitting to the Commission certified statements of expenditure and applications for payment;
- b) certifying that:
 - i) the statement of expenditure is accurate, results from reliable accounting systems and is based on verifiable supporting documents,
 - ii) the expenditure declared complies with applicable Community and national rules and has been incurred in respect of operations selected for funding in accordance with the criteria applicable to the programme and complying with Community and national rules;
- c) ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and verifications carried out in relation to expenditure included in statements of expenditure;
- d) taking account for certification purposes of the results of all audits carried out by or under the responsibility of the Audit Authority;

- e) maintaining accounting records in computerised form of expenditure declared to the Commission;
- f) keeping an account of amounts recoverable and of amounts withdrawn following cancellation of all or part of the contribution for an operation. Amounts recovered shall be repaid to the general budget of the European Union prior to the closure of the operational programme by deducting them from the next statement of expenditure.

8.1.5. Audit Authority – functions and responsibilities

Audit Authority of the HRD OP is the “EU Funds Audit” Directorate at the Ministry of Finance. With regard to Article 62 of Regulation No. 1083/2006, the Audit Authority of the Operational Programme will be responsible in particular for:

- (a) ensuring that audits are carried out to verify the effective functioning of the management and control system of the operational programme;
- (b) ensuring that audits are carried out on operations on the basis of an appropriate sample to verify expenditure declared;
- (c) presenting to the European Commission within nine months of the approval of the operational programme an audit strategy covering the bodies which will perform the audits referred to under points (a) and (b), the method to be used, the sampling method for audits on operations and the indicative planning of audits to ensure that the main bodies are audited and that audits are spread evenly throughout the programming period;
- (d) where a common system applies to several operational programmes, a single audit strategy may be submitted.;
- (e) by 31 December each year from 2008 to 2015:
 - (i) submitting to the European Commission an annual control report setting out the findings of the audits carried out during the previous 12 month-period ending on 30 June of the year concerned in accordance with the audit strategy of the operational programme and reporting any shortcomings found in the systems for the management and control of the programme. The first report to be submitted by 31 December 2008 shall cover the period from 1 January 2007 to 30 June 2008;
 - (ii) issuing an opinion, on the basis of the controls and audits that have been carried out under its responsibility, as to whether the management and control system functions effectively, so as to provide a reasonable assurance that statements of expenditure presented to the European Commission are correct and as a consequence reasonable assurance that the underlying transactions are legal and regular;
 - (iii) submitting, where applicable under Article 88, a declaration for partial closure assessing the legality and regularity of the expenditure concerned.

When a common system applies to several operational programmes, the information referred to in point (i) may be grouped in a single report, and the opinion and declaration issued under points (ii) and (iii) may cover all the operational programmes concerned;

- (f) submitting to the Commission at the latest by 31 March 2017 a closure declaration assessing the validity of the application for payment of the final balance and the legality and regularity of the underlying transactions covered by the final statement of expenditure, which shall be supported by a final control report.

The audit authority will ensure that the audit work takes account of internationally accepted audit standards.

Where the audits and controls referred to in paragraph 1 (a) and (b) are carried out by a body other than the audit authority, the audit authority will ensure that such bodies have the necessary functional independence.

8.1.6. Compliance Assessment Body

The functions of Compliance Assessment Body (single for all Operational Programmes in Bulgaria) under Article 71 of Regulation No 1083/2006 will be performed by the “Audit of EU Funds” Directorate within the Ministry of Finance in accordance to CM Decision from August 2006. The “Audit of EU Funds” Directorate is responsible for making an assessment of the systems of the Operational Programmes and giving an opinion on their compliance with the provisions of Regulation No 1083/2006. For the performance of the Compliance Assessment (including elaboration of methodology, performance of compliance assessment audits and elaboration of reports) of the Operational Programmes the “Audit of EU Funds” Directorate will be assisted by external experts and auditors.

8.1.7. Monitoring Committee

The Monitoring Committee satisfies itself as to the effectiveness and quality of implementation of the Operational Programme, in accordance with the provisions of Article 65 of Regulation No. 1083/2006:

- a) it considers and approves the criteria for selecting the operations financed within six months of the approval of the Operational Programme and approve any revision of those criteria in accordance with programming needs;
- b) it periodically reviews progress made towards achieving the specific targets of the Operational Programme on the basis of documents submitted by the Managing Authority;
- c) it examines the results of implementation, particularly the achievement of the targets set for each priority axis and the evaluations referred to in Article 48 (3) of Regulation No. 1083/2006;
- d) it considers and approves the annual and final reports on implementation referred to in Article 67 of Regulation No.1083/2006 prior to their forwarding to the European Commission;
- e) it is informed of the annual control report, or of the part of the report referring to the operational programme, and of any relevant comments the European Commission may make after examining that report or relating to that part of the report;
- f) it may propose to the Managing Authority any modifications or revisions of the Operational Programme likely to make possible the attainment of the EU Structural Funds’ objectives referred to in Article 3 of Regulation No. 1083/2006 or to improve its management, including its financial management;
- g) it considers and approves any proposal to amend the content of the European Commission’s decision on the contribution from the EU Structural Funds.

The composition of the Monitoring Committee for the HRD OP has been established with an Order No. 675/12.09.2006 of the Minister of Labour and Social Policy. Members of the Monitoring Committee are representatives of:

- MA of HRD OP;
- MA of OP “Regional Development”;
- MA of OP “Development of the Competitiveness of the Bulgarian Economy”

- MA of OP “Environment”
- MA of OP “Transport”
- MA of OP “Administrative Capacity”
- MA of OP “Technical assistance”
- MA of the Rural Development Programme
- Executive Agency of Fisheries and Aquaculture, responsible for the National Strategic Fishery Development Plan;
- Agency for Economic Analyses and Forecasts;
- Central Coordination Unit;
- Certifying Authority;
- Ministry of Education and Science;
- Employment Agency;
- Social Assistance Agency;
- Council of Ministers – “Economic and Social Policy” Directorate;
- Council of Ministers – “Strategic Planning and Management” Directorate;
- Council of Ministers – “Coordination of EU and IFI affairs” Directorate;
- Ministry of Culture;
- Ministry of Health;
- State Agency for Child Protection;
- Agency for People with Disabilities;
- National Agency for Vocational Education and Training;
- National Council for Cooperation on Ethnic and Demographic Issues;
- State Agency for Youth and Sports;
- Commission for Protection against Discrimination;
- Bulgarian Academy of Sciences;
- State Agency for Information Technology and Communications;
- National Association of Municipalities in the Republic of Bulgaria;
- Regional Development Council of the North-West Region;
- Regional Development Council of the North-Central Region;
- Regional Development Council of the North-East Region;
- Regional Development Council of the South-East Region;
- Regional Development Council of the South-West Region;
- Regional Development Council of the South-Central Region;
- Bulgarian Industrial Association;
- Bulgarian Chamber of Commerce and Industry;
- Union for Private Economic Enterprise;

- Union of Private Bulgarian Entrepreneurs “VAZRAZDANE”;
- Confederation of Employers and Industrialists in Bulgaria;
- Bulgarian Industrial Capital Association;
- Confederation of Independent Trade Unions in Bulgaria;
- Confederation of Labour “Podkrepa”;
- “PROMYANA” Trade Union;

The list of the members of the Monitoring Committee does not have restrictive character.

The Head of the Audit Authority, a representative of the European Commission, a representative of the European Investment Bank or another financing institution (in the cases where the Operational Programme receives financial assistance from the European Investment Bank or another financing institution), one expert competent in horizontal issues for each of the following areas: sustainable development, equal opportunities, competition and public procurement and NGO representatives may attend the meetings of the HRD OP Monitoring Committee as observers entitled to advisory vote.

Representatives of the civil society, incl. from organisations representing the ethnic minority groups, are envisaged to take part as observers in the sessions of the Monitoring Committee.

The Managing Authority ensures that in line with the Protection against Discrimination Act, at least 40% of the Monitoring Committee members are women (men in case of overrepresentation of women).

8.2. Financial management, audit and control systems

8.2.1. Financial management system

Financial management, including the control over co-financing, is a shared responsibility of the HRD OP Managing Authority, and of the Certifying Authority.

HRD OP Managing Authority ensures that Intermediate Bodies and beneficiaries are fully informed about obligations related to financial management of funds provided by ESF.

The described separation of functions and designation of tasks for the purpose of verification and certification process is based upon the applicable Community and national rules.

Role of the Beneficiary

The Beneficiary could apply for the implementation of projects co-financed by ESF within the framework of HRD OP. After conclusion of the contract and provision of the services, invoices are issued by the private contractor or supplier and submitted to the beneficiary. After certifying the delivery of goods or services the beneficiary carries out verification upon relevant Terms of Reference or Specification and pays the invoice.

The certification report on the delivery of goods or services is then submitted, together with the paid invoices, to the respective IB or the MA of the HRD OP.

In order to ensure the necessary data and report to the IB/MA, the beneficiary needs to establish a comprehensive accounting system at contract level. This task includes the maintenance (filing and archiving) of financial data, veritable documents and reports consistent with the requirements of Regulation No 1828/2006.

In addition, beneficiaries are responsible also for:

- Reimbursement of expenditure made in cases when a ineligibility or non-compliance with the Community and national rules is found;

- Preparation of regular reports on project implementation (a report to be accompanied by copies of paid invoices and confirmation of the eligible expenditure) and submitting them to the IBs/MA;
- Detecting irregularities and reporting them on a regular basis to the IBs/MA, responsible for this within his obligations.

Role of the Intermediate Body

The Intermediate Bodies performs the selection of project proposals, concludes contracts after an approval/decision of the Managing Authority and makes payments to beneficiaries.

The verification procedures operated by the Intermediate Body should include document-based checks of 100% of support claims and a verification of delivered goods and/or services by the beneficiaries.

Beneficiaries submit their paid invoices or accounting documents of equivalent probative value to the Intermediate Body. The Intermediate Body receives and controls the invoices in order to confirm the following:

- Verification of eligibility (verification of the compliance with the national eligibility rules as well as verification of the compliance of the eligibility rules with the relevant European regulations - the invoice applies to a project approved in the framework of the Operational Programme and this can be certified);
- Formal check (the invoices have been issued to the beneficiary's name and address; contain all the necessary elements in accordance with the national legislation, etc.);
- Check of the contents (the invoices contain eligible expenditure included in the contract for funding, which correspond to the objectives of the activity, etc.);
- Credibility check (the invoice has not been submitted to another programme; according to formal checks, the invoices meet legislative requirements, etc.).

The Intermediate Body is responsible for the aggregation of information on expenditures submitted by the beneficiaries, as well as for the verification of these expenditures in the periodic reports submitted to the MA for the purposes of their following certification by the Certifying authority. Based on this, the Intermediate Body submits report on verification to the MA. The report is completed at operation or priority axis levels and annexed with projects' list and references made to the certification reports of beneficiaries. This report is subject of verification by the MA.

With the verification report the Intermediate Bodies confirm that:

- Expenditures on the operation are consistent with national and Community law;
- The expected result of the operation is consistent with the objectives of the Operational Programme;
- The payment claim is based on acknowledged expenditures actually paid out by the beneficiaries and supporting documentation is available;
- The expenditures for which reimbursement is sought has been made within the eligibility period for the operational programme;
- Physical and financial progress is being monitored including on-the-spot checks where appropriate;
- There has been no double funding (overlapping) of the EU aid with another one or by other resources for the same operation;
- Evidence of receipt of funds by the beneficiaries is available;

- Details of the underlying transactions are recorded where it is possible on computer files and are available to the responsible Commission services or national authorities upon request;
- There is satisfactory audit trail;
- No financial control weakness, risk or irregularities have been identified related to the project in question, or if yes, corrective actions have been/will be taken.

Based on verified invoices, the Intermediate Body submits a claim for national and EU funds co-financing aggregated at operation-level to the Managing Authority, on a periodic or individual project basis. Upon granting the approval of Application for Payment, the Intermediate Body arranges for the beneficiaries to receive payment in full with no deductions, retention or further specific charges.

Role of the Managing Authority

The Managing Authority arranges the payments to the Intermediate Bodies and to the beneficiaries for the operations the management of which have not been delegated to an Intermediate Body within the limits granted by the National Fund within the Ministry of Finance.

The Managing Authority is responsible for the aggregation of information on expenditure supplied to MA by the Intermediate Bodies in reports on verification, and for verifying such expenditure in verification report sent to the Certifying authority. In cases where the implementation of certain priority axis is not delegated to an Intermediate body, the Managing authority prepares on its own a verification report and submits it to the Certifying authority.

With the verification report the Managing Authority confirms that the requirements of Article 60 of Regulation No. 1083/2006 are met.

If the conditions for certifying the expenditure are not fulfilled, the Certifying Authority informs the Managing Authority on any identified differences/problems. The Managing Authority provides explanations on the deviations or problems and proposes corrective measures with implementation deadlines. Upon receiving from the Certifying Authority a reliable explanation of the identified problems, or if the proposed appropriate corrective measures to eliminate the problems are satisfactory, the Certifying Authority certifies the statement of expenditure.

Role of the Audit Authority

The Audit authority is responsible for ensuring the audits are carried out in accordance with art. 62 (a) and (b) of Regulation No 1083/2006 in order to check the effective functioning of the management and control system of the Operational programme.

Role of the Certifying Authority

The Certifying Authority (National Fund) is responsible for drawing up and submitting payment applications as well as receiving funds from the European Commission. According to Article 61 of Regulation No. 1083/2006, the Certifying Authority is responsible for:

- Sending to the European Commission the updated forecasts of applications for payment for the current year and the forecast for the following year;
- Sending to the European Commission certified statements of expenditure and applications for payment in electronic format;
- Using the funds available from the Community to pay expenditure relating to the given assistance;

- Certifying statements of expenditure actually paid under the Structural Funds and the Cohesion Fund, in computerized format, that they result from reliable accounting systems, and are based on verifiable supporting documents;
- That expenditures declared comply with applicable Community and national rules and has been incurred in respect of activities selected for funding in accordance with the criteria and rules applicable to the programme;
- Ensuring for the purposes of certification that it has received adequate information from the Managing Authority on the procedures and audits carried out by or under the responsibility of the Audit Authority;
- Ensuring that beneficiaries receive payment as quickly as possible and in full;
- Reporting to the European Commission any irregularities which have been the subject of initial administrative or judicial investigations, and informing the European Commission, with reference back to any previous reports, of the procedures instituted following all irregularities previously notified and of important changes resulting there from;
- Sending to the European Commission a statement of the amounts awaiting recovery at that date, classified by the year of initiation of the recovery proceedings;
- After recovery, repaying the irregular payments recovered, together with interest received on account of late payment, by deducting the amounts concerned from its next statement of expenditure and application for payment to the European Commission, or, if this is insufficient, by affecting a refund to the Community.

8.2.2. Audit and control procedures

Ex-ante control

With regard to the requirements of Article 58 (b) of Regulation No. 1083/2006 and Article 13 (5) of the Implementation Regulation concerning the clear separation of functions a mechanism for *ex-ante* control over the Intermediate Bodies activities and over the Managing Authority in terms of HRD OP operations' implementation is established. The *ex-ante* control over the activities of the Managing Authority in the cases when an activity shall be managed by the Managing Authority shall be performed by a functional independent structure within the Managing Authority. This structure is directly (functionally) subordinated to the Minister of Labour and Social Policy or to the authorized by him/her Deputy Minister. All staff working in this structure is functionally independent from the rest of the activities of the MA.

Avoiding double funding

The national authorities will assure the activities foreseen in the Operational programme will not overlap or duplicate activities financed under other EC instruments such as the PHARE programme, and the Transition [and Schengen] Facility. Adequate mechanisms will be set up by the Managing Authority to ensure that there is no overlap and/or double funding (including interaction with NAC, NAO, Implementing Agencies, SPOs, beneficiaries and contractors, the monitoring committees, and exchange between management information systems). In the cases where other EC funding is available for the areas covered by the projects under the OP this will be reported to the EC as part of the annual report and in a mutually agreed format. In the first annual report the MA shall describe and assess the established mechanisms for avoiding double funding.

Internal audit

The internal audit activities are performed in compliance with the applicable national rules. Specialized Internal audit Units have been established in the organisations managing EU funds and programmes in compliance with the provisions of the Law on internal audit in the public sector.

Risk management

The Managing Authority ensures that all institutions involved in the management and implementation of HRD OP perform risk management and make all efforts mitigate all possible risks.

Management of Irregularities

All relevant bodies are responsible for detecting irregularities and notifying them to the HRD OP Managing Authority, which on this basis will prepare irregularity report and submit it to the Certifying and Audit Authority. The Certifying Authority will prepare reports on irregularities and will have overall responsibility for financial corrections and recovery of amounts unduly paid. The institutions are acting in line with Part 4 of Regulation No. 1828/2006.

9.1. Monitoring system

Monitoring shall mean systematic and long-term collection, analysis and use of information for the purposes of management and decision-making with regard to the implementation of concrete priority axes/ operations.

The most objective way of checking the progress versus the objectives is by using quantitative financial and physical indicators laid down in the programme. In view of the possibility for making decisions, monitoring shall include not just a report of the deviations but also analysis of the reasons that caused them. In addition to the quantitative indicators, monitoring can also use qualitative analysis (for instance, studying the execution of planned actions).

Key tools for measuring progress under the Operational Programme are the annual and final reports. This tool shall serve as a basis of the communication between the MA and the European Commission in making annual review of the programme.

In addition this tool shall enable the Monitoring Committee to formulate its detailed judgment of the achievements and deficiencies in the implementation of the programme, so as to make a decision regarding the need to make important adjustments of the priority axes, operations or instruments.

The monitoring of the HRD OP will be carried out at three levels, as described below:

- Monitoring carried out by the IB;
- Monitoring carried out by the MA;
- Monitoring carried out by the Monitoring Committee of HRD OP.

Details for the monitoring process to be carried out at the abovementioned three levels shall be included in the relevant rules and procedures of the Managing authority and Intermediate bodies.

9.2. Electronic information systems

- Management and monitoring and system:

The maintenance of the Unified Management and Monitoring Information System of the Structural Funds in Bulgaria (UMIS), its further development and improvement as well as the coordination of the related activities are assigned to the Central Coordinating Unit (CCU) and in particular to the Monitoring and Reporting Unit at the Ministry of Finance.

The UMIS was developed and installed in 2006 within the framework of a PHARE project for strengthening of the administrative capacity of the Bulgarian Ministry of Finance (MoF).

The main purpose of the UMIS is to provide comprehensive, correct and timely information about the implementation of the projects, operations and programmes co-financed from the Structural Funds of the EU.

Technically the UMIS is designed and developed as a central database installed at the MoF which can be accessed through the Internet from any computer with a browser e.g. MS Internet Explorer. This is why the location of the user is not of importance.

Currently, it is envisaged the UMIS to support the following Operational Programmes: OP “Human resources development”, OP “Regional Development”, OP “Environment”, OP “Transport”, OP “Administrative capacity”, and OP “Technical Assistance”, as well as the Operational Programmes under the European territorial cooperation objective. The OP “Development of the Competitiveness of the Bulgarian Economy” has its own information system and there will be an interface between

the two systems where the key components of the interface are already agreed between the Ministry of Finance and the Ministry of Economy and Energy.

A number of interfaces will be developed between the UMIS and the following information systems: SFC 2007, the Anti-Fraud Information System (AFIS) of the European Commission for Irregularities reporting, Public Investment Data Base “Investor – Planner – Administrator”, the Information system for monitoring of the EAFRD activities in Bulgaria and the accounting system used by the Certifying authority.

In that respect, it is necessary to strongly emphasize that the UMIS is not an ordinary information system that will just collect and aggregate information from several OPs but it will be a system that will provide support to users and facilitate the execution of their everyday tasks. For that purpose, it is envisaged the system to contain document templates, check lists, lists of eligible costs and activities, steps of procedures adopted by the respective OP MAs, and professional follow-up of project implementation, generating statistical data for defined parameters divided by regions (for instance - number of projects, funding, indicators, etc.). On the one hand, the everyday work with the UMIS will contribute to the adherence to the adopted administrative procedures and on the other hand, it will provide the necessary means for control.

Pursuant to the requirements of Art. 40 of Regulation No 1828/2006 data on participants in ESF operations by priority axis in accordance with the model set out in Annex XXIII of the same regulation will be provided.

Although the UMIS will support all bodies on all levels involved in the management, monitoring and evaluation of the implementation of the SFs in Bulgaria, it is envisaged at the initial stage of the UMIS implementation the users to be mainly from the OPs’ MAs and IBs. It is envisaged at a later stage when a certain stability of the system is achieved electronic services to be provided to the beneficiaries (electronic submission of application forms and electronic submission of applications for payment), as well as statistics provided to the wide public through the so called unified information gateway.

- Accounting system:

In connection with the requirement of Art 58 (d) of Regulation No 1083/2006 the Paying and Certifying authority has defined unified electronic accounting system, covering the accounting data of the Paying and Certifying authority, Managing authority and Intermediate bodies. The system is designed for maintaining online accounting data and ensuring its effective protection through specifying respective information access levels. Access rights for inserting and correcting the data will have only the body which practically implements the activities connected with accounting and correcting accounting entries while complying with the corresponding correction procedures according to the rule for traceable accounting entries. For every other access level the different system users may only use the accounting information for monitoring and control.

For the purpose of comparison and juxtaposition between the levels of aggregation of accounting information unified standards of the main accounting entries will be developed and will be obligatory for use by the relevant levels.

9.3. Evaluation

The aim of the evaluation activities to be carried out under HRD OP is to improve the quality, effectiveness and consistency of its strategy. The evaluations performed will support the monitoring and implementation of the OP.

During the programming period the following types of evaluation are to be performed:

***Ex-ante* evaluation**

An *ex-ante* evaluation for HRD OP was carried out pursuant to Article 48 of Regulation No. 1083/2006. The *ex-ante* evaluation aims to optimize the allocation of budgetary resources and

improve programming quality. It should identify and appraise the mid-term and long-term needs, the goals to be achieved, the expected outcomes, the quantified targets of the OP, the compliance of the proposed strategy with the Community's priorities, and the quality of the procedures for implementation, monitoring, evaluation and financial management.

All recommendations of the *ex-ante* evaluation team regarding the improvement of the Operational Programme and its future implementation have been taken into consideration.

On-going evaluation

The Managing Authority will carry out evaluations on the implementation of the Operational Programme during the programming period and in particular where monitoring has revealed significant deviation from the initially set goals or where proposals have been made for revision of the Operational Programme, as referred to in Article 33 of the Regulation No. 1083/2006. The results will be sent to the Monitoring Committee for the Operational Programme and to the Commission.

In line with Art. 48, 1 of the Regulation No. 1083/2006 an evaluation plan is elaborated. It presents the main stakeholders, their functions and division of tasks, the coordination mechanism among them, the indicative list of evaluation activities, timetable, financial resources planned, etc. The evaluation plan provides an overall framework for the on-going evaluation and ensures that it is effectively used as an integrated management tool during the implementation phase of the OP.

The on-going evaluations will be of a strategic nature and evaluations of an operational nature.

On-going evaluation activities could embrace indicative themes which include analysis of impact of the implemented activities in the three main policy areas of the OP, mainly labour market, education and training, social inclusion and social economy; impact of the activities related to ethnic minority groups, implementation and impact of the horizontal principles, etc.

Studies and surveys will be used as well to generate data for the purposes of monitoring of indicators and evaluation in cases when no reliable information could be gathered through the services of the relevant institutions.

The organisation of the system and the evaluations of the OP are ensured by the specific Evaluation Unit within the MA. For ensuring the proper and transparent evaluation the MA will decide whether to use internal or external evaluation expertise, or both, for the whole period or for different stages. The Unit within MA responsible for evaluation activities shall participate in the process of selection of contractors to conduct activities in the area of *ex-ante* and on-going evaluation.

A Steering group will be established to support the Evaluation Unit within the MA in implementation and follow-up of evaluation activities. It will be composed of representatives of MA, IBs and other interested institutions.

The MA has the responsibility to publish the approved evaluation reports on its website (unless it contains confidential information).

***Ex-post* evaluation**

In line with Article 49 (3) of Regulation No. 1083/2006, the European Commission will carry out an *ex-post* evaluation in cooperation with the Member State and the HRD OP Managing Authority, where the latter two will provide for gathering the necessary data. The *ex-post* evaluation will take into account all evaluation activities performed during the programming period.

Ex-post evaluation will examine the extent to which resources have been utilized, the effectiveness and efficiency of Funds' programming, the socio-economic impact and the impact of Community priorities. The *ex-post* evaluation aims to draw conclusions for the policy of economic, social and territorial collaboration. It will identify the factors contributing to the success or failure of the implementation of operational programmes and will outline best practices. The *ex-post* evaluation must be completed by 31 December 2015.

10. SPECIAL PROVISIONS

10.1. State aid

During the implementation of HRD OP it will be ensured that the activities financed by ESF or other EU funds are in compliance with the provisions of the Treaty establishing the European Community and with the EU policies and instruments related to the economic competitiveness. Every financial aid granted within the scope of this Operational Programme, will be in compliance with the requirements of the EU Regulations, Directives and Community Rules applicable to the state aid. Any public support under this OP must comply with the procedural and material State aid rules applicable at the point of time when the public support is granted. The Managing Authority is fully responsible for ensuring compliance with the state aid rules. The Intermediate bodies are obligated to inform the Managing Authority about any possible changes in the activities, which may influence the application of the state aid rules.

10.2. Public procurement

All public procurement issues are provided for in the Law of Public Procurement, in force since 1 October 2004. Pursuant to the law, the Minister of Economy and Energy implements the state policy in the field of public procurement. In addition, an independent administrative structure is established under the Minister of Economy and Energy – a Public Procurement Agency, whose task is to ensure the effectiveness of the Bulgarian public procurement system, observing the principles of publicity and transparency, free and fair competition, equal opportunities for all applicants. Court of Arbitration is established with the Agency, which is an out-of-court institution for hearing and settling disputes in the field of public procurement. A Public Procurement Register is established, containing the decisions for opening a procedure for awarding a public procurement contract, the notices intended for entry, the information for awarded public procurement contracts and other information defined in the Rules on implementation of the Law.

10.3. Environmental impact

In view of the nature of ESF, where the focus is placed on non-material actions related to human resources development, this Operational Programme does not formulate actions that are likely to have a significant environmental impact, such as infrastructural projects and in particular projects listed in Annexes 1 and 2 of Directive 85/337/EEC.

Following the procedure, an inquiry about the necessity of performing an Environmental Risk Assessment on the HRD OP has been submitted to the Ministry of Environment and Waters (MEW) of the Republic of Bulgaria. The response on behalf of MEW (No. OBOC-8835/01.08.2006 and No. 04-00-1836 as of 19.07.2007) stated that there is no need to perform such an assessment, pleading the provisions of Art. 85, Para. 1 of the Environment Protection Act. The Operational Programme does not envisage the frame for investments foreseen in Annex 1 and Annex 2 of the Environment Protection Act.

Therefore, the Ministry of Environment and Waters figured out that there is no need for a Strategic Environmental Assessment for this Operational Programme, as set out in Directive 2001/42/EC.

In the operations under the HRD OP where cross financing is envisaged the requirements of the national legislation in the area of protection of environment will be strictly observed and if the legislation requires an environmental assessment will be performed case by case. Infrastructural projects which do not observe the requirements for protection of environment should not be financed.

In the activities which envisage introduction of new curricula and syllabi the requirements of the Kyoto Protocol will be observed.

The environmental impact principle will be observed at individual project level, where applicable, and the indicative activities may include:

- activities aimed at implementing the commitments under the United Nations Framework Convention on Climate Change, (UNFCCC), the United Nations Convention on Biological Diversity (UNCBD), the United Nations Convention to Combat Desertification (UNCCD);
- inclusion of modules for development of economic activities in the areas common for the three conventions (UNFCCC, UNCBD, UNCCD) in the retraining and/or training courses for unemployed;
- widening the information on environmental issues by introducing a requirement to include a short awareness raising module in the training courses, including with relation to the importance of sustainable development and energy efficiency;
- etc.

The responsibility for the activities mentioned above is imposed to the MLSP with the Strategy and Plan for building the capacity of Bulgaria for implementation of the obligations under the UNFCCC, UNCBD and UNCCD.

11. PUBLICITY

In pursuance of Article 69 of Regulation No. 1083/2006 and Chapter I of Regulation 1828/2006, the Managing Authority of HRD OP will guarantee the implementation of publicity measures in order to emphasise on communication, transparency and visualisation.

A Communication Strategy and Plan will be developed and details on the implementation of information and publicity measures will be included. The Managing Authority has an ESF communication and publicity officer dealing with the development, implementation and coordination of the HRD OP communication strategy and plan and activities.

The Managing Authority will carry out the information activities by using all forms of mass communications in conformity with the target groups and should be addressed at the relevant regional level and/ or national level – printed and electronic publications, etc.

Each of the planned activities will contain the mandatory technical features, set out in the Regulation 1828/2006.

In pursuance with the requirements of Regulation No 1995/2006 MA will publish annually, and for the first time in 2008, the list of beneficiaries of HRD OP.

12. MAIN CONCLUSIONS OF THE EX-ANTE EVALUATION

The evaluation team (Petri Virtanen, Petri Uusikylä and Carolina Chatzinikolaou) made seven missions to Sofia during May-September in 2006. The main sources of evidence for the evaluation process were obtained from document analysis, focus group interviews as well as individual interviews. The main sources of empirical data for the Final report is the HRD OP version which was submitted to the evaluation team in Mid July 2006.

Socio-economic analysis

HRD OP has been substantially improved during the last months as far as the socio-economic analysis and the SWOT are concerned. As a result, these parts of the HRD OP document have become clearer, focused, and have been shortened. The statistical information is for the most part well documented in the text. It is apparent that the population and demographic processes are described in the HRD OP document in sufficient detail and the information sources utilised in drawing up the socio-economic analysis and the SWOT seem to be relevant in the HRD OP's current form. As a whole, the statistical information utilised as well as the documents and research reports used are valid in most parts of the socio-economic analysis. The socio-economic analysis and the SWOT are quite consistent with the macro-economic and labour market related challenges Bulgaria has faced so far and will face in the following years. The section concerning culture has been dropped from this version of the HRD OP, which strengthens the internal logic of the socio-economic section of the HRD OP. An additional notion concerns the internal coherence of the socio-economic analysis; that is, the "future development" section within the first parts of the socio-economic analysis remains somewhat unbalanced – the labour market part of the "future development" analysis is quite valid and appropriate, whereas the other parts (education and social inclusion) are merely listing the objectives to be fulfilled during the programming period. The concept of social inclusion has been emphasised in the socio-economic and SWOT analysis of the HRD OP as a "framework". This has made the socio-economic analysis and the SWOT more coherent in terms of the strategic documents of the EU.

External coherence

Both employment priority axes of the HRD OP emphasise strongly the employability aspect and the fact that vulnerable groups need to be integrated into the labour market. Although these are very important issues and match with the needs assessment conducted by the Bulgarian Government and the European Commission, they give a rather static view of the labour market dynamics. Both the Lisbon Strategy and the EES give a very clear message: competitiveness needs to be increased and new and better jobs must be created. Given that challenge, the Bulgarian HRD OP could perhaps emphasise more the competitiveness aspects and the challenges of building a knowledge-based economy. This is a key challenge in order to keep highly educated and skilful people in the country, i.e., to avoid the so-called brain-drain effect.

Priority axes 3 and 4 support well the national education and vocational training policy guidelines. Priority axis 3 enhances through its operational objectives the strategic goals of the National Programme on Modernisation of Education. Operational objectives under Priority axis 3 strengthen the efforts of modernising the Bulgarian education system and creating innovative networks between the educational institutions, business and research institutions. Finally, Priority axis 4 enhances not only the national goals of lifelong learning and vocational training but also the strategic attempts regarding social inclusion and employment policy. What could be emphasised still more is the need to strengthen the vocational training system and relationships between higher education institutions

and enterprises. This is an important mechanism in matching labour market needs and skills learned in education institutions.

Internal coherence

HRD OP priority axes have shown a remarkable improvement concerning their structure as much as their content. The present version's internal coherence is very strong and almost all the measures are incorporated more or less. The priority axes' structure covers most of the crucial fields in the area of human resources such as human capital (employability, education and training) as well as the related institutions and services. Very few measures have to be better presented, but that doesn't reduce their importance and their contribution to the final result.

Indicators

In all, the indicators of the OP follow mostly the justification of intervention logic – i.e., outputs, results and impacts are connected in a logical manner. However, especially at the level of impact measurement a more precise connection between the strategic objectives of priority axes and indicators ought to be made. Also, indicators need a clear target setting as well as baseline values. That is the critical precondition for measurement of the goal-achievement of the operations implemented under the priority.

Implementation

The management mechanisms for the implementation, monitoring and financing of the HRD OP are well defined and in accordance with the Council Regulation No 1083/2006, and include the MA of the HRD OP, the IBs, the Beneficiaries, the Monitoring Committee, the Certifying Authority and the Audit Authority. Those mechanisms' roles and responsibilities are described, as well as the cooperation between them. The implementation, monitoring and financing procedures are structured in a logical way, including all the involved actors step by step, with reference to each one's role and responsibilities. Special reference has been given to management of irregularities, state aid and the public procurement procedures as supplemental to the intention of legality and transparency during the implementation of the HRD OP.

The whole text of the Ex-ante evaluation Final report could be found on the HRD OP MA web site:
<http://ef.mlsp.government.bg>.

Annex 1**Number of population as of 31.12. by years and by sex**

Years	Total	Men	Women
1990	8 669 269	4 269 998	4 399 271
1995	8 384 715	4 103 368	4 281 347
2000	8 149 468	3 967 423	4 182 045
2001	7 891 095	3 841 163	4 049 932
2002	7 845 841	3 816 162	4 029 679
2003	7 801 273	3 790 840	4 010 433
2004	7 761 049	3 767 610	3 993 439
2005	7 718 750	3 743 327	3 975 423
2006	7 679 290	3 720 932	3 958 358

Source: NSI

Birth rate, mortality rate and natural growth per 1000 people

Years	Birth rate	Mortality rate	Natural growth
1990	12.1	12.5	-0.4
1995	8.6	13.6	-5
2000	9.0	14.1	-5.1
2001	8.6	14.2	-5.6
2002	8.5	14.3	-5.8
2003	8.6	14.3	-5.7
2004	9.0	14.2	-5.2
2005	9.2	14.6	-5.4
2006	9.6	14.7	-5.1

Source: NSI

Annex 2

Employed persons by economic activities	2001	2006	Variation
	(number in thousands)		(%)
Total	2698.8	3110.0	15
Agriculture, forestry and fisheries	254.8	252.2	-1
Mining	41.5	38.2	-8
Processing industry	649.6	745.1	15
Production and transmission of electricity, gas and water	58.8	58.9	0
Construction	128.8	230.0	79
Trade, car and household equipment repair	405.5	494.0	22
Hotels and restaurants	116.9	156.4	34
Transport, warehousing and communications	208.2	220.3	6
Financial intermediation	38.5	39.1	2
Real estate operations and business services	108.6	147.1	35
Government; obligatory state insurance	214.4	225.0	5
Education	209.5	214.9	3
Health and social work	161.0	163.8	2
Other services	95.0	125.1	32

Source: NSI

Annex 3

	2004			2005			2006		
	number	Accommodated people	staff	number	Accommodated people	staff	number	Accommodated people	staff
Specialized institutions									
Homes for adults with mental retardation	27	3 152	1 022	27	2 451	984	28	2 489	1 028
Homes for adults with mental disabilities	13	1 216	458.5	15	1 396	531.5	15	1 396	562
Homes for adults with physical disabilities	26	1 747	699	26	1 742	702	26	1 768	772
Homes for adults with sight and hearing problems	4	130	54	4	148	62	4	148	68
Homes for elderly people with dementia	13	869	388	13	869	388	13	869	430
Homes for elderly people	62	5 022	1 593.5	62	5 037	1 606.5	66	5 260	1 726
Homes for temporary accommodation	12	709	89	15	756	118	17	782	130
Social training centers	9	1 417	609	9	1 343	601	9	1 347	600
Homes for children and young people with mental retardation	29	1 991	1 158	29	1 991	1 150	26	1 766	1 216
Community-based social services (state responsibility)									
Sheltered homes	3	22	12	15	122	48.5	31	262	117.5
Day-care centers for children and youths with disabilities	25	773	299	30	980	378	34	1 000	394
Day-care centers for adults with disabilities	9	198	57	16	331	115	22	514	185
Day-care centers for elderly people	8	254	22	10	314	29	15	529	44
Center for social integration and rehabilitation	11	573	86	14	660	110	29	1 179	202
Shelters for unattended children	1	20	14	3	64	34	4	84	44
Mother and Baby Units	-	-	-	-	-	-	8	67	48
Community Support Centres	-	-	-	-	-	-	9	779	212
Day-care centres for street children	-	-	-	-	-	-	6	92	62
National Programme „Assistants for People with Disabilities”									
activity „Personal assistant”	-	11 891	11 891	-	13 941	13 941	-	13 830 (as of 30.11.2006)	13 830 (as of 30.11.2006)

Annex 4

Share of expenditures for measures and services on the labour market in Bulgaria for the period 2004-2005		
	2004	2005
Labour market services	8.9	10.1
Training	7.5	9.2
Job rotation and job sharing	-	-
Employment incentives	4.0	5.7
Integration of the disabled	-	1.2
Direct job creation	45.7	43.2
Start-up incentives	1.1	0.9
Out-of-work income maintenance and support	32.7	29.7
Early retirement	-	-

Source: Eurostat, own calculations

Annex 5

Cross-reference between the “Human Resources Development” Operational Programme and the Integrated Guidelines for Growth and Jobs 2005-2008 (Employment guidelines)

HRD OP	IGGJ 2005-2008									
	IG 17	IG 18	IG 19	IG 20	IG 21	IG 22	IG 23	IG 24		
PA 1. Promotion of economic activity and development of inclusive labour market			◆	◆						
PA 2. Raising the productivity and adaptability of the employed persons	◆	◆		◆	◆					
PA 3. Improving the quality of education and training in correspondence with the labour market needs for building a knowledge-based economy				◆			◆	◆		
PA 4. Improving the access to education and training			◆				◆	◆		
PA 5. Social inclusion and promotion of social economy			◆	◆						
PA 6. Improving the effectiveness of labour market institutions and of social and healthcare services			◆	◆						
PA 7. Transnational and interregional cooperation	◆	◆	◆	◆	◆	◆	◆	◆		

Integrated Guideline 17: Implement employment policies aiming at achieving full employment, improving quality and productivity at work, and strengthening social and territorial cohesion.

Integrated Guideline 18: Promote a life-cycle approach to work.

Integrated Guideline 19: Ensure inclusive labour market, enhance work attractiveness, and make work pay for job-seekers, including disadvantaged people, and the inactive.

Integrated Guideline 20: Improve matching of labour market needs.

Integrated Guideline 21: Promote flexibility combined with employment security and reduce labour market segmentation, having due regard to the role of the social partners.

Integrated Guideline 22: Ensure employment-friendly labour cost developments and wage-setting mechanisms.

Integrated Guideline 23: Expand and improve investment in human capital.

Integrated Guideline 24: Adapt education and training systems in response to new competence requirements.

The implementation of the Operational programme will contribute to achieving the main objectives set forth in the **Integrated Guidelines for Growth and Jobs (2005-2008)**.

1. Achieving **employment levels up to 70%**.

Within the framework of **PA 1** the creation of 100 000 new job is envisaged.

2. **25% of the permanently unemployed** should participate in an active labour market measure.

Within the framework of **PA 1** it is envisaged that 50 000 permanently unemployed persons should be included in training and employment programmes.⁶⁵

⁶⁵ According to Employment Agency data, the average number of permanently unemployed persons for 2006 is 203 812.

3. The average level of participation in different forms of **life-long learning** in the EU should not be less than **12.5%** among the population aged 25-64 years.

Within the framework of **PA 1** and **PA 2** it is envisaged that a total of 480 000 employed and unemployed persons will be included in different forms of life-long learning.

Annex 6

Contribution of HRD OP to the achievement of the goals of the National Strategic Report of Bulgaria on social protection and social inclusion for the period 2006-2008

The measures included in the National Social Inclusion Action Plan 2006-2008, the first pillar of the National Strategic Report and the Open Method of Coordination, were taken into consideration at formulation of the priority axes and concrete indicative operations and activities of the Operational programme. In this way, for the period 2007-2013 the ESF will support the National Action Plan for social inclusion by the implementation of a number of programmes and projects within OP HRD whose main objective is social inclusion of vulnerable groups of the population. All priority axes of HRD OP will support the political objectives of the National Action Plan for social inclusion:

- Equal participation on the labour market of groups at risk to fall into poverty and social exclusion;
- Provision of equal access to services aiming at prevention of social exclusion and overcoming the consequences thereof;
- Social inclusion of the most vulnerable ethnic minorities;
- Reduction of poverty among groups outside of working age.

This will be achieved by purposeful interventions in several main areas of action in the focus of the National Action Plan on social inclusion:

- Active inclusion by employment and vocational qualification;
- Access to quality education and training;
- Development of the social economy sector;
- Access to quality social and health services and deinstitutionalization;
- Reduction of poverty among children;
- Anti-discrimination.

Financing the indicative activities foreseen under HRD OP will also contribute directly or indirectly to the achievement of the 12th quantitatively measurable results set down in the National Action Plan on social inclusion. Direct impact is expected to be achieved on the indicators for economic activity, employment and unemployment, for increasing the number of persons from vulnerable groups participating in vocational qualification programmes. The implementation of programmes and projects in the sphere of education and training, funded under priority axes 3 and 4 of HRD OP will support directly the achievement of the objectives for reducing the number of pupils in obligatory school age dropping out of school, for increasing the number of children with special educational needs integrated in general education and vocational schools, as well as to increasing the number of pupils of Roma origin led out of segregated schools. In the sphere of provision of services, there will be direct impact on the indicators for reducing the number of persons benefiting from social services provided in specialized institutions and for increasing the number of persons from vulnerable groups benefiting from social and health care services.

Implementation of programmes mainly within priority axes 1, 2 and 5 of HRD OP will also have an indirect influence on the following indicators: reduction of the number of persons dependent on social aid (by activities to improve personal initiative and inclusion on the labour market, including specific measures for people with disabilities and raising the competitiveness of the employed, and other) and insuring the increase of the general income of households (by activities for inclusion on the labour market, including specific measures for people with disabilities, and other).

Beyond the scope of quantitatively measurable indicators, but in accordance with the principles and objectives for better management of the policy on social protection and social inclusion, HRD OP will also support activities aimed at: active inclusion of all stakeholders, raising the information of the community, better exchange of information and best practices, strengthening the capacity of both the administrative units and the socio-economic partners participating in the process of formation, implementation and evaluation of the social protection and social inclusion policy.

The second pillar of the Open Method of Coordination and the National Strategic Report on social protection and social inclusion for the period 2006-2008 – pension policy, will also be supported by HRD OP through the activities aimed at prolonging working life and increasing employment among elderly workers.

The third pillar of the Open Method of Coordination and the National Strategic Report on social protection and social inclusion for the period 2006-2008 – health and long-term care, will be supported by HRD OP through the activities related to access to healthcare and improving the productivity of the labour force, as well as with the activities in the sphere of social services for the elderly people.

Cross-reference between Human Resources Development Operational Programme and National Reform Programme (Part 3. Employment and Education)

The main directions in the National Reform Programme were taken into consideration at the formulation of the priority axes and indicative activities of the Operational Programme, thus ESF will support the objectives laid down in the National Reform Programme until 2010.

Among the main objectives of the National Reform Programme are increase in employment, improvement of the quality of human capital, increasing incomes from employment and effective integration of disadvantaged groups on the labour market. These objectives will be achieved by purposeful actions in three main directions:

- Boosting the economic activity of the population and the level of employment;
- Effective integration of disadvantaged groups on the labour market;
- Education and training in support of the transition to a knowledge-based economy.

These priority axes will be supported by main areas of intervention in the Operational Programme as follows:

The boost of the economic activity of the population and the level of employment will be supported directly by the following HRD OP main areas of intervention:

- 1. 2. Employment through development of entrepreneurship;
- 2. 1. Improving the adaptability of employed persons;
- 2. 2. Promoting the labour market flexibility;
- 2. 3. Improving the working conditions at the workplace;
- 5. 3. Employability through better health.

The effective integration of disadvantaged groups on the labour market will be supported directly by the following HRD OP main areas of intervention:

- 1. 1. Integration of vulnerable groups on the labour market;
- 6. 1. Development and modernization of the labour market system;
- 5. 1. Support to the social economy;
- 5. 2. Social services for prevention of social exclusion and overcoming its consequences.

Education and training in support of the transition to a knowledge-based economy will be supported directly by the following HRD OP main areas of intervention:

- 3. 1. Improving the quality of services in education and training;
- 3. 2. Modernizing education and training system;
- 3. 3. Strengthening the ties between educational and training institutions, R&D sector and business;
- 4. 1. Access to education and training for disadvantaged groups;
- 4. 2. Children and youth in education and society;
- 4. 3. Development of the life-long learning system.

Short information for Social Inclusion project

At the moment the Government of the Republic of Bulgaria negotiates on a World Bank loan which to support financially “Social inclusion” project amounting at 40 000 000 Euro.

Promoting sustainable social inclusion suggests an inter-generational approach, and giving people equal life chances requires investments in early childhood development (ECD) interventions. Providing opportunities of social mobility to the excluded and raising their human capital requires counterbalancing disadvantages created by family background. This logically means starting at birth by ensuring access to health and education, in order to let people acquire the skills, confidence and stamina needed to make their own life choices. Social inclusion policies, therefore, need to concentrate on the early years, from 0-6, to permit the most effective leverage to policies aimed at social inclusion. There is strong international evidence that investments in ECD interventions, including health and educational programs, have a substantial impact on subsequent education outcomes in primary and secondary schooling and yield greater returns than later investments.

In order to prevent and reduce school drop-out the HRD OP supports measures to promote school readiness with a long-term impact in fostering the inclusion of children from marginalized backgrounds, in particular Roma, as well as children with special needs in the mainstream education system and breaking the inter-generational poverty trap resulting from early school drop-outs and special and segregated schooling. Such preventive services are expected to contribute to the ongoing de-institutionalization process by reducing the flow of new children into residential institutions – typically children deprived of parental care and children with special needs. The measures envisage

- integrating poor as well as disabled children into mainstream pre-school and kindergarten education,
- shaping the delivery of relevant services around beneficiary needs, i.e. integrating pre-school education, child health services and social services for children and parents,
- actively reaching out to and incentivizing benefiting parents, and
- enabling local governments to deliver and manage these services.

The school readiness activities include the following:

Programs for parents of children aged 0-3 target parents from the moment of conception, and include parent and family-focused social services by trained service providers sub-contracted by the municipality, specifically: (i) *Orientation for marginalized parents of small children and parents of children with a disability* which are offered in municipality-provided facilities, such as school or kindergarten buildings or facilities of other existing social services or newly created infrastructure. Groups of parents are instructed in pre-and post-natal parenting skills, covering a menu of nurturing parenting, cognitive skills development, preventive health care, hygiene and nutrition for children. This is accompanied by (ii) *one-to-one parenting counseling* for parents focusing on parenting advice and (iii) *mobile outreach* to engage parents in less accessible communities.

Programs for children aged 3-6 cover a menu of options for municipalities to enhance access to formal kindergarten or child care services for children from marginalized backgrounds and special needs, including additional health services and measures to increase the number of childcare places. It also includes measures to support demand (low income parents to seek child care) and supply (municipalities to promote access of low income children to child care). The activities include specifically: (i) *Kindergarten fee reduction*. In order to motivate parents in need to send their children to kindergarten, GMI recipient parents are stimulated to send their child to kindergarten by providing access at a discount, i.e. reducing the current municipal kindergarten tax. Access to the fee

reduction is limited to those parents who simultaneously enroll in training and employment programs offered by the Employment Agency (EA). (ii) *Family Centers* enabling interested individuals (including current or former kindergarten or school teachers or jobseekers) to be child minders in their own homes or other available municipal buildings under the existing standards for such social services, and thereby provide about 4-5 childcare places each, or interested community-based organizations (CBOs) to offer child care services, again under the existing standards for social services for children. (iii) *Transport to and from the kindergarten* is offered to parents, with minibus services subcontracted by the municipality and accompanied by staff of the nearest kindergarten to pick up children in the morning and drop them in the afternoon. (iv) *Enhanced health services* include examination of children in the kindergarten by pediatricians twice a year and by a dentist once a year.

Training for service providers and kindergarten staff is an essential precondition to effective social and child care service provision. Separate for each category of trainees, training will be provided before services start and would include refreshers and handholding. The training component includes a range of activities: (i) *service provider training* for child care service providers delivering parenting programs, (ii) *kindergarten staff training* on how to integrate marginalized children of poor, culturally segregated or disabled background as well as in early disability detection in children, (iii) *child minder training* and training for CBO staff involved in child care provision on childcare, including individuals from marginalized communities.

Local government capacity building: Effective implementation of school readiness measures require targeted capacity building for municipal staff and social workers working at the municipal level in three major areas: (i) *inter-agency work*, more specifically cross-sectoral cooperation (education, health, social services as well as social assistance); including the setting-up of cross-sectoral forums, also with the third sector, and joint agreement of referral maps and responsibilities. This element will centrally involve the social workers of the Social Assistance Agency (SAA) as pivotal agents of future service integration as well as staff from the child protection departments. It will also expose the public sector to the working methods of the third sector, such as case management, and thereby provide a forum for learning and modernization of the public agencies; (ii) *sub-contracting of services to and cooperation with NGOs*.

(The SIP addresses physical child care supply constraints by financing (i) small infrastructure rehabilitation in existing or transformed municipal kindergarten or child care service buildings as well as educational materials, and (ii) the construction of new child care centers in underserved areas, based on a set of identification and targeting criteria.)

Annex 9

Indicative breakdown of the ESF contribution by category in the operational programme

(In EUR)

Dimension 1 <i>Priority theme</i>		Dimension 2 <i>Form of finance</i>		Dimension 3 <i>Territory</i>	
Code	Amount	Code	Amount	Code	Amount
62	118 320 000	01	1 031 789 139	00	1 031 789 139
63	48 450 000				
65	24 650 000				
66	205 102 045				
67	39 100 000				
68	30 525 719				
69	67 950 479				
71	37 400 000				
72	155 357 828				
73	165 086 262				
74	51 000 000				
80	20 635 783				
81	26 939 457				
85	26 271 566				
86	15 000 000				
Total	1 031 789 139				