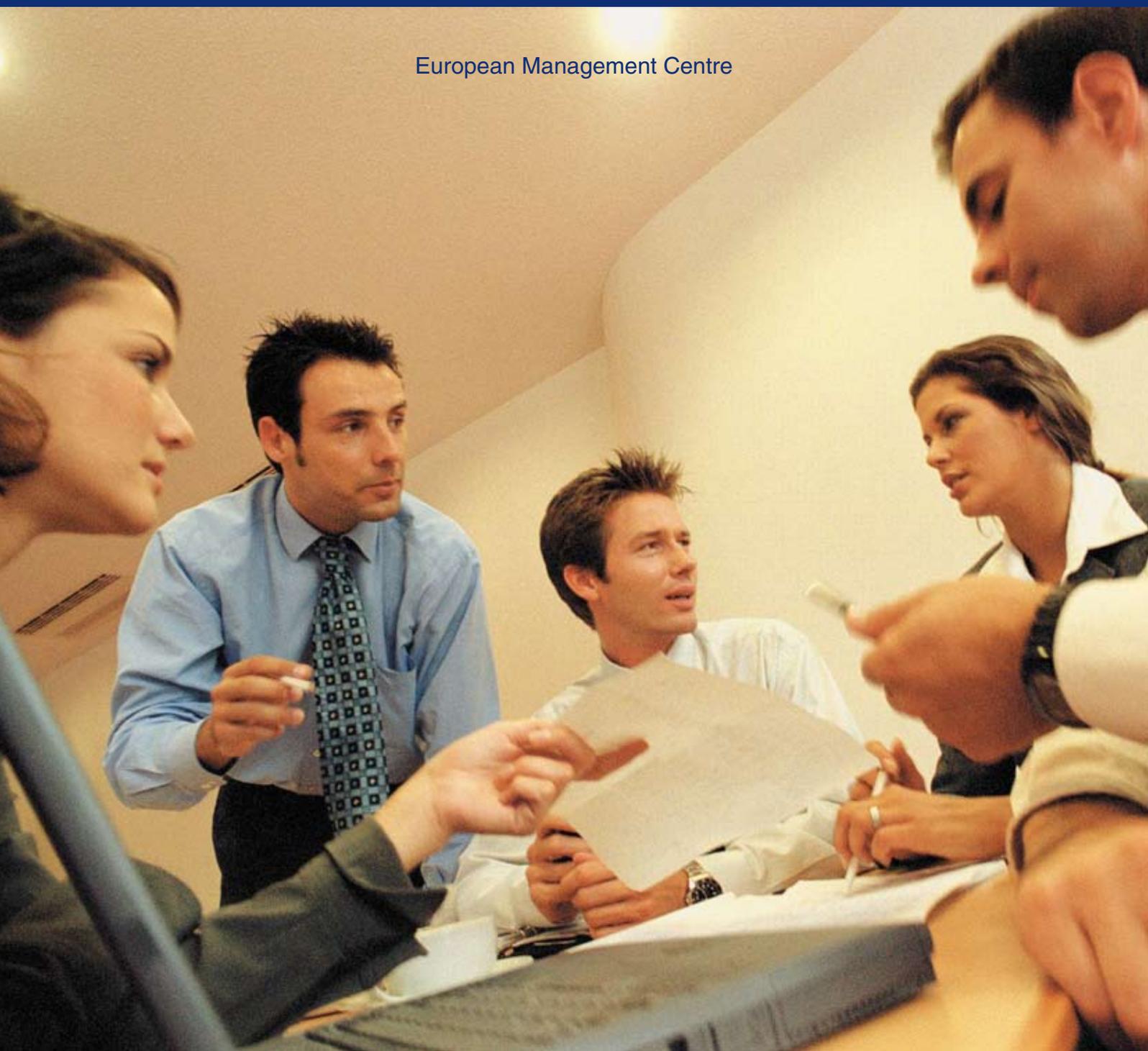


Report on training and support structures for young SMEs in Bulgaria

European Management Centre



last update 03/2009



Education and Culture DG

Lifelong Learning Programme

Table of contents

I. General Information

1. Introduction - project goals
2. Research base
3. Bulgaria - short business card
4. SME's sector in Bulgaria and the category "young" enterprises
5. Sector structures
6. Changes in the employment structure in the sector of SMEs
7. Government policy and national strategies for SME
8. Problems and challenges for the SME's and particularly for the "young" enterprises
9. Good practices
10. Access to information
11. SMEs and "young" enterprises and the needs of personnel training
 - a. Access to continuous professional training (CPT)
 - b. Training needs
12. The picture of the trainings by sectors
13. The reasons why the Bulgarian firms do not train their employees

II. Report from the interviews on the project SME-TraiNet

1. Methodology
2. Research instrument - Inquiry card
3. Interview results
4. Conclusions

III. Conclusions from the research

1. Regarding SMEs and "young" enterprises
2. Regarding CPT
3. Good practises for consulting and finance support

Annex I List of key companies

1. Authorities in support of SMEs and "young" enterprises - education, training and consultancy
2. Business associations
3. National employers` representative organizations

Annex II List institutions, responsible for the VET

Annex III List of institutions supporting best practices and innovation projects for "young" enterprises

Annex IV List of clusters in Bulgaria

This project has been funded with support from the European Commission.

This publication reflects the views only of the authors, and the Commission cannot be held responsible for any use, which may be made of the information contained therein.

I. General Information

1. Introduction - project goals

Despite the initial support founders of new businesses get at the beginning of their business operations, many of them do not survive their third year of operation [OECD Outlook 2005]. This might be due to the fact that no structured and holistic support is provided to still young but already established SMEs (i.e. entrepreneurs already operating since more than 2 years), whose businesses develop successfully and would have the potential of growth, but whose owners are not sufficiently capable of managing this sudden growth and the problems and challenges it brings about.

The present study has been carried out in the period of October 2008 until March 2009 in the framework of the network project “SME-TraiNet” which is financially supported by the Leonardo da Vinci programme of the European Commission and targeted at fostering the dialogue between European young businesses/ SMEs and European guidance and training providers so that the current training and support structures for this target group can be further developed and improved.

This report summarises the results of a status-quo analysis which had the purpose to map the existing training and support structures for young SMEs, identify training and support institutions providing good practice in this field and to identify potential gaps or need for further improvement of the existing offer for young enterprises. This has been done in all countries involved in the project network, i.e. Austria, Estonia, Finland, Germany, Italy, Poland, Turkey, Slovenia and Slovakia. Thus study reports on the present training and support structures for young businesses and SMEs are available also for these countries at www.smetrai.net.

The information summarized in this report was gathered by extensive desk research. Where necessary, i.e. where little information in secondary sources was available, interviews with owners and directors of young enterprises were conducted in order to complement the findings of the desk research. The general research guidelines and questionnaires are part of the annex of this report.

2. Research base

The present report is based on interviews held and inquiries written on case- questionnaire provided to all project partners from each partner's organizations and arranged after the Bulgarian circumstances. Except those young enterprises, which were preliminary selected, questionnaires were sent via the information network to another 21 companies - EMC clients, who have a respective profile concerning the conditions for target group of SME-TraiNet Project. Unfortunately we have received responses only from 2 companies. Besides numerous inquiries were made with official publications about the supporting opportunities for young enterprises from the government, the branch associations etc. as well as about the problems these enterprises meet. Lists of organizations and institutions,

3. Bulgaria - business card

Bulgaria - business card¹

- Area: 110.910 sq. km. / 42.822 sq. miles
 - Population: (31.12.2006): 7 679 290 (3 720 932 - male / 3 958 358 - female)
 - Real GDP growth: 6.2% (2007)
 - Economics: (BDS, 2007): 61.5% services, 32.3% industry and 6.92 agriculture
 - Graduate: 22% of the population
 - National language: English
 - Foreign languages: English, German, French, Spanish, Russian
 - Religion: 83% orthodox Christians
 - Form of government: Parliamentary republic
 - Currency: Bulgarian lev (BGN), pegged to the euro at the rate 1.95583:1
 - Membership: EU, NATO, WTO
-
- Highly qualified, multilingual labour force, working at one of the most competitive payment rates for the employer in Europe
 - Stable and predictable business and political environment
 - Membership of Bulgaria in EU
 - Free market with preferential partners of the EU, including the EFTA countries, Turkey, Mediterranean countries [1], the Western Balkan countries [2] South Africa, Mexico, Chile and others.
 - 10% corporate tax
 - 10% income tax on individuals

4. SME's sector in Bulgaria and the category "young" enterprises

Here we have to clarify that in the research we are speaking basically about SMEs because the so called "young" enterprises belong mostly to this category. Because of that we will make a brief characteristic of this kind of enterprises.

In recent years the role of SMEs in the Bulgarian economy continues to grow. Proof of this is the characteristic of the sector on the basis of multiple indicators.

In 2006 the number of small and medium enterprises exceeded 230 thousand. For the period 2001-2006, they increased by almost 28 thousand (13.1 percent). In the last three years of the period the increase of SME has stabilized at around 2 percent per year².

¹ http://investbg.government.bg/upfs/29/Macroeconomic_factsheet_March2008.pdf

SMEs represent 99.4 percent of all 231 334 companies and 99.7 percent of the private enterprises in it. Microenterprises (1 to 9 employees) prevail. Their number has increased by 8.5 percent compared to 2001 to more than 204.4 thousand in 2006. Their share in the total number of the surveyed private enterprises, however, decreases (from 92.4 to 88.6 percent) mainly at the expense of a rise of the number and portion of small enterprises. The number of small enterprises (10 to 49 employees) grows most quickly compared to the other parameter groups. In 2006, they amount to just over 21.3 thousand (with 9 139 or 75 percent more than in 2001). The fewest among the SMEs are the medium enterprises (50 to 249 employees). In 2006 the number has risen to 4 288, which is 54.6 percent more than in 2001 and their share in the total number of surveyed private enterprises has increased from 1.4 to 1.9 percent.

5. Sector structures

The sector structures of the number of enterprises for each of the groups change relatively slowly over time. **The most preferred industry sector for microenterprises continues to be “Trade, repair of motor vehicles, personal and household goods”.** In the period 2001-2006 however, their share in the sector decreases (from 57.3 to 53.6 percent of their total number) on account of the increasing share of microenterprises, which are directed to sectors “Construction” and “Operations in real estate and business services”.

Two are the most preferred industry sectors for *small* businesses - “Trade, repair of motor vehicles, personal and household goods” and “Manufacturing”, in which in 2006 operate respectively 31.8 and 30.8 percent of the small businesses. In both sectors however, after 2001 this share decreases on account of increasing their share especially in the sectors of “Construction” and “Hotels and restaurants”. The most preferred sector for the medium enterprises remains “Manufacturing”, but here is also a tendency for reducing the share on account of the increase of the share especially in sector “Construction”.

Construction industry is the only sector where there is an increase of the share of enterprises of the respective group in the period 2001-2006, and for the three parameter groups, i.e. its attractiveness increases in the three groups of enterprises.

The distribution of *the number of enterprises in the single industry sectors* is also relatively constant over time, as in all industry sectors dominate the microenterprises. For the period 2001-2006 however, in each of the sectors their importance reduces on the account of a considerable increase of the share of small enterprises and to a substantially lesser degree of medium enterprises.

For the period 2001-2006, *the density* of enterprises rises in small and medium enterprises in all 28 districts, only for microenterprises a decrease is observed - in four areas.

The investments in microenterprises are the fastest growing (5.6 times) and they account for 42 percent of the funds invested in SMEs. In the last years of the observed period the increase of investment in small and medium enterprises is also accelerating.

For the whole period the increase in the investments in small enterprises is 3.5 times and in medium enterprises - 2.9 times.

² In the analysis there are used data from the Annual Report on the Status and Development of SMEs in Bulgaria, 2007

SMEs continue to have the highest *contribution to turnover of the industry sector* "Operations with real estate and business services", although after 2002 (96.5 percent) it reduced to 94.9 percent in 2006. Over 80 percent of the turnover in the industry sector "Hotels and restaurants", "Trade, repair of motor vehicles, personal and household goods" and "Construction industry" is realized in SMEs.

6. Changes in the employment structure in the sector of SMEs

Changes in the *structure of employment by parameter groups* in the period 2001-2006, depict a positive trend of "growing" of businesses. Most of the "young" enterprises belong to the group of the micro and SM enterprises. The share of occupation in micro enterprises decreased while the share of medium enterprises grows moderately, and the fastest is the growth of the size of small enterprises, whose share in employment increases. The average size of an SME has increased from 4.4 to 5.7 employees per an enterprise. In subgroups however, the trends are different. The average size of microenterprises has stabilized in the last years of the observed period to 2.3 employees in one company. The average size of small businesses increases. Overall, for the observed period the average of medium enterprises decreases - from 101.8 at the beginning to 98.9 in 2004.

The structure of occupation in SMEs improves by form of employment. The proportion employed to occupied persons rises for the period 2001-2006 with almost 10 points (from 76.9 to 86 percent). The most significant change is in the internal structure of employment in microenterprises, where the share of employees is increasing from 49.6 to 63.9 percent of the occupied.

Labour productivity increases with the increasing size of enterprises. The productivity in SMEs is still more than twice lower than in big enterprises.

7. Government policy and national strategies

There isn't special policy or an institution in the country that has activities related only and mainly to the "young" companies in Bulgaria. But there is a state policy for support of the SMEs, in the frame of which we could tell, there are activities, proper mainly for the enterprises recently registered.

In 2004 the Bulgarian SMEs Promotion Agency (BSMEPA) was established and the SME Act voted. One of the activities of BSMEPA is the establishment of a public register - which do not exist yet, but after it will be made, information will be available for recently registered companies and analyses made on their activity and needs - there isn't still any public information about the characteristics and parameters the register will hold.

In principle the government **policy** for SMEs is consistent with the new guidelines outlined by the EC. They plan the conduct of modern policies based on more active application of the "Think for the small first". This principle is specified through many measures, which take place at European and national level which goal is to accelerate economic growth.

Many EU programs support the development of SMEs. The main tool is the European funds - about 16-18 percent of the resources for cohesion policy (overall EUR 347 billion) are for support of SMEs. The Agricultural Fund for Rural Development also provides about EUR 10 million to be devoted to establishing non-agricultural enterprises in these regions. The Seventh Framework Program for Research and Technological Development includes different initiatives to support SMEs, including also reimbursement of funds, allocated for such purposes. The competitiveness and innovation program with a budget of around EUR 3.6 billion ensures better access of SMEs to innovation, ICT entrepreneurship, new energy

sources and improvement of the energy efficiency. Program of lifelong learning also supports small and medium enterprises.

For the successful development of SMEs it is necessary to establish a *profitable business environment*.

Among the most important changes in Bulgaria in the last year are the introduction of the flat tax and the start of the electronic commercial register. It is expected that the commercial registration is done much faster, the procedure is more transparent and simpler, because the registration of the circumstances takes place in a single database. The advantages of the new register are associated with the introduction of unique identification code, the use of approved forms for registration, electronic access to the register, etc. The start of the register is accompanied by many difficulties, which are expected to be overcome soon.

In order to ease the administrative arrangements at the beginning of 2008 the Government developed and proposed "Program for better regulation in Bulgaria". It defines the actions of the government in the short term, covering the period 2008-2010 year.

The objective of the program is the cancellation and facilitation of the existing administrative procedures and improvement of the administrative services, preparation of a preliminary assessment of the impact of regulations and creation of a team for better regulation to the Council of Ministers; consultations with interested parties during the preparation of assessment of the regulations, review of the administrative regulation on municipal level and repeal of the existing illegal schemes, introduced by local authorities. The preparation of such a program can be assessed positively - in the program there are a number of concrete proposals, but its execution is still expected.

8. Problems and challenges for the SME's and particularly for the "young" enterprises

One of the main problems for SMEs continues to be the *access to financing* which is difficult due to the lack of credit history, collateral hedging, complex and long procedures, lack of enough experience. The credit boom in the last years has led to improvement of the access of SMEs to bank financing - interest rates fell, banking services have become much more diverse. On the other hand, SMEs get more experience in applying for financing from national and European programs. The tax burden is reducing and better conditions for financing by own funds will be created.

SMEs in Bulgaria continue to use less external financing (loans, leasing, donor programs, project financing, etc.) and mainly rely on internal sources, which generally are more expensive, but on account of that SMEs remain independent of financial institutions. In the future, the opportunities for financial support of SMEs by the EU structural funds will widen.

Of huge importance for the SME development is the good *information provision* - timely and accurate current information about international markets, changes in legislation, European programs and funds, etc.

The new National strategy for development of SMEs is to improve the quality of IT consulting services for the business by creating of a single database with information about the status and needs of SMEs; conduct special campaigns for the EU structural funds and the requirements of the Single European Market, training for development of projects by European programs.

The promotion of an *entrepreneurial activity* of citizens and the proper training in this regard receive an increasingly important role in the EU. The main objective of all

measures is to connect into a uniform system the educational and training programs of the Member States. The final effect of these measures is to achieve the same qualification criteria at national and sector levels.

The problem of improving the *competitiveness* of Bulgarian SMEs gets a very important meaning under the conditions of full EU membership. Along with the complete improvement of the overall business environment, the main factors which would improve the competitiveness of Bulgarian enterprises are associated with stimulation of innovation development, creation of clusters, more active participation in foreign trade and others. These are areas where in the last years serious measures have been taken by the government. However, it is important to activate the efforts on company level as well as on state level to strengthen the positive effect of the policy.

One of the current challenges for the country is the implementation of appropriate policies to encourage the enterprises to carry out scientific and research activities. Only then it will be possible to notice a reversal of the negative trends and an enhancement of the innovation potential of the Bulgarian economy. The SMEs can improve their competitiveness only if they use innovations in their activities. But they do not always know how to seek, feel fear and uncertainty to bear risk, there is a lack of sufficient financial and human resources for research activities.

It is necessary to diversify the stimuli for innovative companies and experts adjusted by a system of broad coverage of the achievements of inventors and entrepreneurs, who have realized in practice new innovative ideas. Very useful for SMEs, which are looking for partners in another EU country and which need an advice on how to develop an innovative idea or how to apply for research financing, is the new network *Enterprise Europe Network*, which unites about 500 organizations, more than 4 000 experienced professionals and includes countries outside the EU.

9. Good practices

Strengthening the positive influence of the factors can be achieved by further efforts from the government and of the enterprises themselves for:

- simplification of administrative and regulatory environment for SMEs by optimizing regulatory regimes and promoting competition on the market;
- increased training of state and local governments in support of SMEs;
- conducting an active innovation policy by deepening the cooperation between companies and research institutes;
- support of the implementation of international standards for quality and environmental protection;
- increase of the potential for development of end products, competitive on international markets, and specialization in production and export of products with high added value;
- improving the quality of IT consulting services for the business by creation of a single database with information about the status and needs of the SME sector, conducting of specific information campaigns about the capabilities of the EU structural funds and the requirements of the Single European Market, training for projects development and utilisation of EU funds;
- improvement of the financial environment for SMEs, including by the Bank for Development, municipal guarantee funds to stimulate local SMEs;
- including specific policies for human resources and training to support entrepreneurship;

- including sustainable development as a component of company policy;
- encouraging businesses to participate in networks of related industries (clusters) for the development of industries and regions.

The measures recommended by the EC in their last official statement³, are in five main areas:

- reduction of administrative barriers and improvement of the business environment;
- improvement of the access of SMEs to markets;
- promotion of entrepreneurship and additional qualification;
- improvement of SMEs for growth, including by innovations;
- stimulation of dialogue and consultation with SMEs.

A good practice that should be used more widely is the creation of clusters. They represent a successful model for pooling the efforts of various entities for growth and competitiveness. Pooling of small firms in clusters is one way to deal with competition, survival on the market and increase of the competitiveness of SMEs.

The establishment /official court registration as juristic person/ of groups of related enterprises under clusters was started in our country with the Decision of the Council of Economic Growth at the Council of the Ministers in the spring of 2004. It consist four key industrial sectors, which have to work with the aims to foster and support the establishment of similar associations in Bulgaria.

At the end of 2005 the first phase of establishment of three pilot clusters after this decision was finalized. **The cluster's establishment in Bulgaria is financed under Measure 6 in the Bulgarian National Innovation Strategy, September 2006.**

The second phase of this project will start in the second half of 2007, will support project ideas and institutional buildings of 12-14 clusters and will encourage this cluster approach in the Bulgarian economy.

The EU supports the clusters through the Structural Funds and the Cohesion Funds in the last four years. It is scheduled already that International Association's cards will be made for all member countries. The forthcoming establishment of European Cluster Alliance has to build connections between the regions and the EU member states.

Over 20 clusters have been established until now in Bulgaria:

<http://www.mi.government.bg/ind/econ/docs.html?id=205201>

Note: see Annex III - List of the clusters in Bulgaria

In the new strategy for encouraging of small and medium enterprises, and in this for the period 2007-2013 an increase of the economic potential of the Bulgarian companies is intended. This should be done primarily by increasing the innovative capacity and competitiveness of SMEs on the basis of effective protection of intellectual property, development of clusters, improving the access to European and international markets, better information for SMEs.

³ Small and medium-sized enterprises - Key for delivering more growth and jobs. A mid-term review of Modern SME policy, Communication from the EC, Commission of the European Communities, Brussels, 4.10.2007

Note: here is any addressing of the measures to the “young” enterprises. All depends on the personal managing skills, creativity, flexibility, level of education and information of the owner or enterprise leaders.

10. Access to information

Better access to information about changes in legislation, international standards, European funds, commodity markets, etc. will enable SMEs to cope successfully with the competitive pressures of international markets.

Here we have to note that young enterprises as well as all SMEs, receive information using the same sources - web sites and information newsletters of the Ministry of Labour and Social Policy, BSMEPA, Ministry of Finance, the Structural Funds and the Cohesion Funds, Industrial Chambers and Chambers of Commerce the mass media and all public information, information about events and seminars etc.

11. SMEs and “young” enterprises and the needs of personnel training

Compared to the other European countries, Bulgaria is on the 26th place (from 27 countries) in share of companies that offer continuous education for its staff⁴. Worrying is the fact that from 1999 to 2005 the share of companies, that offer training to their employees has remained almost the same (28% in 1999, 29 % in 2005), while for example in Romania, it has risen almost fourfold from 11 to 40 percent over the same period. This gap can cost many difficulties for our country to achieve the objectives of the Lisbon strategy for lifelong learning till 2010.

A) Access to continuous professional training (CPT):

- From 27 studied countries, Bulgaria is on the 25th place in **Europe in costs**, which the enterprises devote to education as a share of the total costs.

- Very little opportunity for training is provided to the **staff in the medium-sized and smaller enterprises**. (6 % of the occupied in enterprises with personnel about 10-49 people and only 12 % of enterprises with personnel about 50-249 people).

The results of the publication of NSI indicate, that Bulgarian managers, both in the public and private sector as a total **do not plan to train their employees** and this can be observed by the fact that **79.2% of the surveyed Bulgarian companies have not prepared an annual budget** that includes the provision of continuous professional training. As a result, only **28.7 percent of the enterprises have organized continuous professional training**, but only 14.8 percent of the employees had participated in professional training courses.

More than two thirds / 67.9% / of the firms do not associated the planning of continuous professional training with the preparation of a plan or a training program. In cases where a continuous professional training has been realized, only **21.4 percent have measured the impact of training on the work results after the training.**

⁴ In the analysis there are used data from researches CVTS3 of Eurostat and NSI.

The education of entrepreneurs, determined in the Measures for education of the personnel - National Strategy for Development of the ESMS 2007 - 2013 has the goal to overcome the SME problems by:

- Familiarization with the new law base;
- Introducing of energy - saving technologies;
- Information on opportunities and access to international markets;
- access to finance;
- strengthening the capacity for development and gaining of SME projects;
- researching the opportunities for realizing of new business ideas;
- raising the professional foreign trade qualification of the managers and the personnel of the enterprises;
- bettering information services of the SMEs;

New methodology and training for the optimal access to the Pre-accession Funds and the Structural Funds as well as for the EU programmes are foreseen in the National Strategy for building the needed administrative capacity for their applying. Stress point is putting on acquiring of entrepreneurial skills as part of the students preparation for their high education and for trainees in the field of VET.

12. The picture of the training by sectors

In the public sector the most popular training is through **participation in conferences and workshops / 83.0%**, but the private sector relies primarily on **on-site training / 70.8%** / .

In Bulgaria 17% of the realized trainings were in the form of courses, while 25% are "other" activities. Thus by share of organized courses after Bulgaria are only Portugal - 11% and Romania - 7%.

In all countries involved in the study, the externally organized courses (outside the workplace) dominate, leader is Latvia - 99%, and on the last place is Portugal - 81%. Bulgaria is on the penultimate place with 84%.

13. The reasons why the Bulgarian firms do not train their employees:

- 82.7% identified as the main reason "existing skills and competencies of the occupied persons match the current needs of the enterprise",
- 77.5% - „the preferred strategy of the company is to hire people with the required skills and competencies”
- The share of those, who have an obstacle as „the high cost of CPT courses” - 34.9 % -is not small too.

1. Methodology

Within the research of the project of EMC 9 deep interviews were performed with representatives of SMEs. The companies were selected by size - so as to represent the three types of SMEs - micro, small and medium-sized, and also by type of activity - production, trade and services.

According to the size of the company and type of activity, their allocation is as follows: - 4 microenterprises, 4 small enterprises and 1 medium-sized enterprise, 2 of them are engaged in production and trade, 2 - in trade and services and 5 - only in services. According to the field of activity - there are companies in the IT sector and construction industry, which are the fastest growing areas, but there are also more traditional companies - transport and publishing.

The interviews were taken from the following “young” enterprises:

DEBULCO LTD. - established 2005, production and trade

MEDICAM LTD. - established 2005, services

Roadengineering 21 LTD. - established 2005, services

Aplied language solutions LTD. - established 2006, services

BILLA Services LTD. - established 2005, production and services

International leisure projects LTD. - established 2006, production and trade

LUNA LTD. - established 2006, services

Paladin Property Development LTD. - established 2006, services

EUROTRANSLINE LTD. - established 2006, services

2. Research instrument - an Inquiry card

Inquiry card Research of “young” Enterprises in Bulgaria

We have a great offer for you: you invest 20 minutes of your time to answer our questions and we will be in a position to tailor our products and services even better to your needs, created for your business and with a huger personal and corporative effectiveness.

We look forward to your answers and thank you very much for your participation.

Sincerely Yours,
European Management Centre

In order to be able to develop suitable information and consultancy services for you, we would like to ask you to provide the following information for your company.

Company Data:

- Name of the company.....
- Street /Number.....
- Zip code/City.....
- Year of establishment.....
- Tel. /Fax.....
- Website.....
- Mail.....
- Contact Person.....

Company's main activities:

(please use X or V for marking your answers):

- Manufacture ↑
- Trade ↑
- Services ↑

Brief description of the area of activity of the company (end products /services)

.....
.....
.....
.....

Information on employment - the need for skilled and qualified personnel and succession planning

Not all of our services and not all support programmes are suitable for every business. In order to make a proposal, which is tailored specifically to your field of business and the size of your company, we need the following information:

1. How many employees do you have?

Total.....

2. Divided into (please use X or V for marking your answers):

- Owner, managing director ↑
- Managing personnel ↑
- Temporary personnel ↑
- Apprentice ↑
- Permanent personnel ↑
- Administrative personnel ↑
- Technical personnel ↑

Questions connected with the current business climate and the development of the markets - future tendencies and advancements.

12. Are you interested in information and/or consultation on the management of your company?

No	↑
Yes	↑

13. Are you interested in in-house training on the current support programmes, connected with your company and your clients?

No	↑
Yes	↑

14. Increase of the number of elderly people in our society represents to owners of businesses economical perspectives and opportunities for development. Have you done changes of your products/services that will better correspond with the need of the „50+ generation“?

No	↑
Yes	↑

15. Do you use information from your clients, manufacturers, exhibitions, scientific and technical literature, in order to improve your products or services?

No	↑
Yes	↑

Information about trainings

16. In your business, the client is in the centre of attention, the orders should be done on time. However usually there is little time left for development of the human resources - personnel training.

What kind of training does your company need?

.....

What kind of training do you personally need?

.....

17. Is training an integral part of your enterprise with a regular budget?

No		↑
Yes, but funds are allocated only occasionally	↑	
Yes, is part of our annual budget	↑	

18. Do you have enough information for further training opportunities, as well as opportunities for financing and benefits, which your enterprise can take advantage of?

Yes

No, we don't have enough information, we need consulting

No, we don't have enough information and we are not interested

Please mark what kind of external training/consulting your enterprise needs:

Training /External services	What kind of training does your company need?	What kind of external services does your company need?
Strategic Company Management	<input type="checkbox"/>	<input type="checkbox"/>
Marketing & Communications	<input type="checkbox"/>	<input type="checkbox"/>
Crisis Management	<input type="checkbox"/>	<input type="checkbox"/>
Sales and Negotiations	<input type="checkbox"/>	<input type="checkbox"/>
Human Resources Management	<input type="checkbox"/>	<input type="checkbox"/>
Protection of Intellectual Property	<input type="checkbox"/>	<input type="checkbox"/>
Public Procurement	<input type="checkbox"/>	<input type="checkbox"/>
Professional training in your field of expertise	<input type="checkbox"/>	<input type="checkbox"/>
Quality Management Systems	<input type="checkbox"/>	<input type="checkbox"/>
Management of Informational Security	<input type="checkbox"/>	<input type="checkbox"/>
Safe and healthy work conditions	<input type="checkbox"/>	<input type="checkbox"/>
Assessment of correspondence of SE markings	<input type="checkbox"/>	<input type="checkbox"/>
Financing Sources	<input type="checkbox"/>	<input type="checkbox"/>
Financial Management	<input type="checkbox"/>	<input type="checkbox"/>
European requirements for types of economic activities and products	<input type="checkbox"/>	<input type="checkbox"/>
Project management	<input type="checkbox"/>	<input type="checkbox"/>
The information society	<input type="checkbox"/>	<input type="checkbox"/>
Other - please specify.....	<input type="checkbox"/>	<input type="checkbox"/>

Thank you for your participation!
We wish you successful and profitable business

3. Results

The survey results show that 5 of the companies hire extra staff to realize their activities, and 4 - do not hire extra staff. According to the prospects of 4 of the companies, the staff needs for the next 3 years will increase, according to 4 further companies will not change, and according to 1 company - will be reduced.

- 6 of 9 interviewed representatives of companies, i.e. the majority, are not familiar with the institutions and programs for support of SMEs.
- 8 of 9 interviewed are not familiar with institutions and programs to support innovation in SMEs.
- In terms of institutions offering training, the picture is more optimistic - 6 of 9 interviewed are familiar with similar institutions.
- 8 of 9 business representatives are not aware of the funding opportunities for SMEs.

Considering the above deficits of information, it is not surprising that:

- All 9 interviewed persons express willingness for consulting, associated with more information about supporting institutions and programs, as well as consultations regarding management.
- 8 of these 9 companies are interested in consulting in the company, concerning programs for support, that are connected with their company and their customers.
- 7 of 9 companies are interested in training about the possibilities of financing programs, linked to their business.

All these 9 companies claim, that they use information, which comes from their clients, to improve their services and products, but 7 of 9 representatives of SMEs affirm that they have not done any changes in their products and services to meet to the needs of the generation 50 +.

About the trainings - the majority - 6 companies - have incorporated funding for training in the budget, but it is not permanent, only in 3 of the companies funding is included permanently in the annual budget.

The interviewed express biggest interests the to following types of training:

On first place - to “professional training in their field” and to “quality management systems”.

On second place - to “project management” and “human resources management”.

On third place - "strategic company management".

When it comes to external services, the preferences are as follows:

On first place - "Financial Management". On second place - “the European requirements to the types of businesses and products”, and on third place - “safe and healthy working conditions”.

4. Conclusion

1. The survey results confirm the conclusions, obtained from the secondary analysis, namely that there are large deficits of of information and consultations for programs and institutions supporting SMEs in Bulgaria. These are programs and institutions supporting funding and innovations as well.

2. The paradox, which we found is that all these 9 companies claim, that they use information, which comes from their clients, to improve their services and products, but 7

of 9 representatives of SMEs affirm that they have not done any changes in their products and services to respond to the needs of the generation 50 +.

3. Just one third of the SMEs surveyed have included in their annual budgets funds for training, and the other two-thirds do not have a constant budget for training. Both groups, however, have a great interest in trainings, especially in "professional training in their field", in "quality management systems" and in "project management / human resources" and also in "strategic company management". In case of external services - the biggest interest is in "Financial Management", "European requirements for the types of businesses and products" and "safe and healthy working conditions".

III. CONCLUSIONS from the research

1. Regarding SMEs and "young" enterprises

In Bulgaria, SMEs represent 99.4 percent of all 231 334 enterprises, where microenterprises (1 to 9 employees) dominate and the most preferred industry sector by them is "Trade, repair of motor vehicles, personal and household goods".

The changes in the *structure of employment by parameter groups* in the period 2001-2006 depict a positive trend of "growing" of the enterprises.

Construction industry is the only sector, where in the period 2001-2006 the share of the enterprises from the corresponding group has increased for all three parameter groups - micro, small and medium-sized enterprises.

Over 80 percent of the turnover in the industry sector "Hotels and restaurants", "Trade, repair of motor vehicles, personal and household goods" and "Construction" is realized in SMEs.

Labor productivity increases with the size of the enterprises. Productivity in SMEs is still more than twice lower than in large enterprises.

One of the main problems for SMEs continues to be the *access to financing*, which is difficult due to lack of credit history, not bearable collateral, complex and long procedures, lack of enough experience.

SMEs in Bulgaria continue to use less external financing (loans, leasing, donation programs, project financing, etc.) and rely mainly on internal sources, which generally are more expensive, but in this way SMEs remain independent of financial institutions.

In the new National Strategy for development of SMEs it is intended to improve the quality of IT consulting services for business by creating a single database with information about the status and needs of SMEs;

One of the challenges currently faced up by the country is the appropriate policy to encourage enterprises to do scientific and research activity.

A good practice, which should be used more widely, is the creation of clusters.

The better access to information about changes in legislation, international standards, European funds and other commodity markets will enable the SMEs to cope successfully with the competitive pressures of international markets.

2. Regarding CPT

From 27 observed countries, Bulgaria is on the 25th place in Europe by costs, which the enterprises devote to education as a share of the total costs/. Very little opportunity for staff trainings is provided in the medium-sized and smaller enterprises.

A disadvantage in the system of CPT in Bulgaria is the lack of systematic studies on the actual needs of the labor market, resp. lack of information about the current and prospect requirements to qualification skills. There are large deficits of information and consultations about programs and institutions, supporting the financing, and innovations of SMEs in Bulgaria as well.

Thus there are discrepancies between the enrollment of young graduates in various professions and the real economic needs. Besides, most professional education programs in Bulgaria are mainly theoretical and focus on the transfer of information rather than the development of skills and experience. The willingness to use modular curriculum and develop new skills is limited and has not yet been systematically addressed, clear rules for all suppliers and users of CPT are in shortage, too.

Thus the reform of the CPT system should meet the forecasted / required profile of human resources and provide measures to improve the attractiveness and responsiveness of professional education and training. They need to focus on management, financing, quality and access to quality educational programs, to intend both - improvement of the territorial applicability of professional education and training, as well as the concentration of resources, invested in better clustered CPT schools / centers. Thus, with the improvement of the content, measures will provide increased employability.

More than two thirds / 67.9% / of the companies do not associate the planning of continuous professional training with the preparation of a plan or a training program. In cases where a continuous professional training is realized, only 21.4 percent have measured the impact of training on the work results after the training.

The introduction of clear rules for all suppliers and users of CPT, clustering, planning of investment in human resources and feedback will improve the quality of programs and their effects, when they are supplemented by trainings of the managers in management skills, the so-called soft skills.

What concerns the specialized VET institutions, which train the personnel of enterprises recently registered, we have to note that there aren't yet such bodies. The workers in the young enterprises can be trained everywhere they would like, but trainings for employees in SMEs, financed by the Operational Programmes and the state budget (the Structural Funds of the EU) can be organized from :

- Accredited institutions in the system of the high education (high schools universities, colleges) incl. their centers for further qualification
- professional gymnasiums and colleges
- Licenced VET Centres for adults education
- Business Centres (Business Incubators), created in the frame of the JOB Project (some of which have already a license)

Responsible institutions in different training and consultancy aspects, which offer VET services for SMEs are:

- Ministry of Economy and Energy;
- Ministry of Labour and Social Policy;
- Ministry of Education and Science
- National Agency for VET;
- The Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA);
- Bulgarian Industry Association,
- Bulgarian Chamber of Commerce and Industry, as well as other employers organizations, representative on national level

Key documents, related to the qualification of SME representatives are:

- SME Act;
- National Strategy for development of the SMEs in Bulgaria 2007-2013;
- National Strategy for life long learning

VET will be financed mainly with the operational programs fund OP Competitiveness and OP Development of Human Resources supplemented by the state budget and own funds.

3. Best practices for consulting an financial support of “young” enterprises

A few exemples of good practices for financial and consultancy support for SME, especially for young companies could be shown:

Case:

The JOBS Project ("Employment through business support") is a Ministry for Labour and Social Policy under the UN Development Programme (PROON).). Its main goal is to overcome of the high and increasing structural unemployment in Bulgaria and to increase the labor employment in a country through establishment and development of Businesses Centers registered as NGOs) that provide consultancy and financial support to the private sector.

Main activities of the Businesses Centers

- *Building up of entrepreneurial culture among potential businessmen on responsibilities, risks and management of own business ;*
- *Providing broad support on local level for potential and acting micro and SMEs;*
- *Introducing new technologies and management methods;*
- *Presentation of wide range of information services;*
- *Consulting services offered by international and national management consultants about project development and business opportunities on national and international level;*
- *Mobilizing of capabilities and resources for more easier access to credits ; creating of new jobs and VET opportunities;*
- *Activating the dialogue on local and national level between the state and the private sector for encouraging private initiatives and credence consolidation between state institutions and private sector;*

Main activities of business incubators

- *Providing premises to remunerative prices to companies and flexilbe organization of areas for easier adaptation to concrete customer needs ;*
- *Access to technical services - telephone calls, text processing, secretarial services, copying, bind, use of shared rooms and equipment - negotiation rooms, computers, Internet etc. ;*
- *Opportunity for buying of leasing equipment for tenantries and for extrenal customers;*

- *Expertsupport and trainings, provided by the incubator expert team or by external expert net;*
- *Network teams with internal and external partners; the business incubator ensure a stimulating environment for developing of helpful contacts; the incubator management encourages and supports business and informal contacts between the tenants;*

Services after the incubation period: the incubator will continue to keep a contact with companies after the incubation period and will forward the expert help its use as an international source of professional experience and business contacts

BULGARIAN SMALL AND MEDIUM ENTERPRISES PROMOTION AGENCY (BSMEPA)

BSMEPA is a government body under the Minister of Economy. It was established with the amendments of the Law for SMEs in 2004 as a successor of the Bulgarian Trade Promotion Agency (BTPA) and the Agency for Small and Medium-sized Enterprises (ASME). BSMEPA has four specialised operational Departments:

- ❖ *Information Services and Regional Coordination General Department*
- ❖ *Technological Development and Innovations Department*
- ❖ *Pre-accession Projects and Programmes Implementation Department*
- ❖ *Competitiveness and Entrepreneurial Skills Department.*

Each of these departments has its own area of expertise and set of activities and together they elaborate and implement the major functions of the Agency, namely:

- ❖ *information and consulting services,*
- ❖ *support to innovative projects and new technologies,*
- ❖ *assistance of Bulgarian companies in growing and entering into the foreign markets,*
- ❖ *managers training and transfer of experience through the implementation of international projects.*

Sofia 1000, sq. "Sveta Nedelya" № 1
tel. 02 9329-211, fax: (02) 9805869
E-mail: office@sme.government.bg
Stanimir Burzashki - Executive Director

BUSINESS CENTERS AND BUSINESS INCUBATORS (BCS/BIS)

Business Centers and Business Incubators (BCs/BIs) are registered Bulgarian NGOs that support private sector development and economic development on a local level. BCs/BIs provide information and consulting services, training, financial services and below market rate premises. Through the JOBS project, BCs/BIs also provide their communities access to financial mechanisms and information technology centers.

Activities of BCs

- Deliver locally-based comprehensive support to micro and small businesses and agricultural producers

- Introduce new management techniques and technologies
- Provide international and local consultants to develop projects, business opportunities and business links
- Establish contacts and cooperation with national and international institutions and trade organisations, sponsorship programmes and special funds
- Facilitate financing
- Stimulate and support a "dialogue" on the local and national level to promote entrepreneurship and build confidence between the public and private sectors

Business Incubator

Premises are offered for rent to start-up or existing micro and small companies that want to expand their business activities

- Fully renovated premises
- Below market rate rents
- Full package of services available
- Promotion of tenant's business

Information Technology (IT) Centers

- Located in each BC/BI
- Improving communication in rural areas
- Providing access to the Internet
- Developing practical computer skills among rural entrepreneurs
- Establishing business-to-business contacts
- Providing national and international market information
- Promoting Bulgarian businesses to international markets
- Supporting e-commerce

http://www.jobs-bg.org/whatis2_bg.htm, www.bgincubator.net

BULGARIAN EURO INFO CENTRE NETWORK

Created under the aegis of the European Commission in 1987, the Euro Info Centres /EIC/ currently form a network of 283 contact points providing information and assistance to SMEs. Co-ordinator for the EIC Network is Directorate General Enterprise of the EC. The activity of this network was confirmed by the Third Multiannual Programme for SMEs in the European Union (1997-2000). In the process of realization of the Programme, was launched an extension of the EIC network to the Central and Eastern European Countries. www.eic.bcci.bg/bg/index1.htm

EUROPEAN INSTITUTE

The mission of the European Institute is to support the efforts of governmental and non-governmental agencies to successfully prepare Bulgaria for EU membership through research, technical assistance, raising public awareness and training.

The European Institute has four main areas of activity:

- Research activities - the emphasis is placed on wider policy areas related to EU accession and the enlargement process in general;

- Technical assistance - provision of advice to a range of governmental and non-governmental organizations on specific issues related to the EU accession;
- Raising public awareness - implementation of projects stimulating public debate on EU enlargement and informing the public at large about the costs and benefits of accession;
- Training and exchange of experience - strengthening the capacity of various institutions and professional groups on the issues of Eurointegration, EU pre-accession instruments and structural funds, as well as the exchange of experience between applicant countries and associated countries of South Eastern Europe on matters of Eurointegration.

96, Rakovski St., Sofia 1000 Bulgaria

Telephone:

(359-2) 9886410

Facsimile: (359-2) 9886411

E-mail: office@europe.bg

<http://www.europeaninstitute.bg>

CENTRE FOR EUROPEAN PROGRAMMES - AMERICAN UNIVERSITY IN BULGARIA

CEP has been established in 2001 as a Department of the American University in Bulgaria for the development of academic, research, training and consulting activities.

CEP provides an interdisciplinary focus on the prospects, progress, and problems of the European integration process by organizing different kinds of trainings, information activities and consulting in EU affairs for the central and regional administrations, local authorities and NGOs, business community as well as participating in different European programmes for higher education and vocational training such as PHARE, Socrates, Leonardo da Vinci, Framework Programmes for Research and Development.

The expertise of the Centre for European Programmes covers the areas of EU institutions and decision-making process; Lobbying in the EU; EU policies; Internal market; Public administration reform; Project identification and formulation; Project implementation; Regulatory Impact Assessment EU Procurement; Networking

www.aubg.bg/cep,

<http://www.aubg.bg/cep>,

тел. 02/ 960 79 12, 960 79 21

Annex I

LIST WITH KEY COMPANIES

1. Authorities in support of “young” and Small & Medium Sized Enterprises - Education, training and consultancy

Consultative board for stimulation of small and medium sized enterprises to the Minister of economy and energy

Main objectives

- ❖ Monitoring the policy and legislative process of relevance to SMEs
- ❖ Supporting the European integration and contributing to European co-operation.
- ❖ endeavoring to ensure that the interests of SMEs are taken into account in all legislation that has an impact on them. Some of the key legislative areas: economic and fiscal policy, employment and social policy, environmental policy, enterprise policy, internal market, legal affairs, and R&D.
- ❖ analysing the role of SMEs in economies and the challenges they face. On the basis of this analysis,
- ❖ identifying the ways in which SMEs can adapt to the challenges of the open and competitive EU economy.

Members

The consultative board consists of 1 chairman and 18 members.

(1) Chairman:

Minister of economics

(2) Members of the consultative board are representatives of:

Ministry of Economics

Sofia 1000

str: "Slavyanska" 8

Tel.: (02) 940 73 03

Fax: (02) 988 55 32

E-mail: public@mi.government.bg

URL: www.mi.government.bg

Ministry of Finance

Sofia 1040

str. "Rakovski" 102

tel.: (02) 9859 2024, 9859 2021/2078/2022

E-mail: feedback@minfin.bg

URL: www.minfin.government.bg

Ministry of Labour and Social Policy

Sofia 1051

str. "Triadica" 2

tel.: (02) 8119 443
fax: (02) 988 44 05, 986 13 18
E-mail: mlsp@mlsp.government.bg
URL: www.mlsp.government.bg

The Bulgarian Small and Medium Enterprises Promotion Agency (BSMEPA)

Stanimir Burzashki, executive director
Sofia 1000
sq. "St. Nedelya" 1
tel.: (02) 981 66 00, 980 50 69
fax: (02) 980 58 69
E-mail: office@sme.government.bg
URL: www.sme.government.bg

Presidency

Sofia 1123
str. "Dondukov" 2
tel.: (02) 923 93 33
E-mail: press@president.bg
URL: www.president.bg

National Association of Municipalities in Republic of Bulgaria

Kiril Todorov, chairman of Management Board of Bulgarian Municipal Agency supporting of Small and Medium Sized Enterprises
Sofia 1000
str. "Alabin" 16-20
tel./fax: (02) 980 03 04, 980 03 13
tel.: (02) 988 46 60
fax: (02) 98798 26
E-mail: namrb@namrb.org
URL: www.namrb.org

National Chamber of Skilled Crafts

Todor Stoyanov, Chairman
Sofia 1303
bul. "Slivnica" 134
tel.: (02) 931 78 80
fax: (02) 931 78 82
e-mail: nzk@abv.bg
URL: www.nzkgb.org

Bulgarian Industrial Association

Bojidar Danev, chairman
Sofia 1000
str. 16-20, "Alabin"
tel.: (02) 980 03 03
fax: (02) 987 26 04
E-mail: office@bia-bg.com
URL : www.bia-bg.com

Bulgarian Chamber of Commerce and Industry

Bojidar Bojonov, chairman

Sofia 1058

str. "Parchevich" 42

tel.: (02) 987 26 31

fax: (02) 987 32 09

E-mail: bcci@bcci.bg

URL: www.bcci.bg

Bulgarian Association of Regional Development Agencies and Business Centers (BARDA)

Katya Goranova, chairman of Management Board

Sofia 1000

bul. "Vitosha" 4, fl. 6

tel.: (02) 983 03 35, 983 03 36

fax: (02) 983 03 41, 987 86 13

E-mail: barda@barda.net

URL: www.barda.net

Foundation of Entrepreneurship Development

Antonina Stoyanovska, manager

Sofia 1606

str. "Dukatska planina" 18, fl. 3

tel.: (02) 952 57 58, 952 57 98, 952 68 32

fax: (02) 952 57 83

E-mail: office@fed-bg.org

URL: www.fed-bg.org

Association "National Business Development Network"

Posica Djambazova, Chairman

Sofia 1784

bul. "Tsarigradsko shosse", km 7.

tel. : (02) 976 78 20

fax: (02) 976 78 39

E-mail: nbdn@jobs-bg.org

URL: www.madeinbulgaria.info; www.craftcenter.org

Bulgarian Development Bank

Dimitar Dimitrov, chairman and executive director

Sofia 1000

str. "Dyakon Ignatii" 1

tel.: (02) 930 63 33

fax: (02) 930 63 21

URL: www.nasbank.bg

Bulgarian Academy of Sciences

Sofia 1040

str. "15 Noemvri" 1

tel.: (02) 987 46 53
fax: (02) 981 66 29, 986 25 23
URL: www.bas.bg

University of National and World Economy

prof. dr. Borislav Borisov, rector
Sofia
Studenstki grad, "Hristo Botev"
tel.: (02) 963 00 43, 62 52 211
fax: (02) 962 39 03
E-mail: secretary@unwe.acad.bg
URL: www.unwe.acad.bg

Sofia University "Kliment Ohridski"

Sofia 1504
bul. "Tsar Osvoboditel" 15
tel.: (02) 9308
fax: (02) 946 02 55
E-mail: rector@uni-sofia.bg
URL: www.uni-sofia.bg

Center for Economic Development

Alexander Bojkov, co-chairman
Sofia 1408
str. "Balsha" 1, block 9
tel.: (02) 953 42 04
fax: (02) 953 36 44
E-mail: ced@ced.bg
URL: www.ced.bg

Institute for Market Economy

Krasen Stanchev, managing director
Sofia 1504
bul. "Dondukov" 82 A, fl.3
tel./fax: (02) 943 33 52, 943 36 48, 943 49 75, 944 71 19
E-mail: ime@omega.bg
URL: www.ime-bg.org

2. *Busines associations*

Bulgarian Association of Regional Development Agencies and Business Centers (BARDA)

Sofia 1000 bul. "Vitosha" 4, fl. 6
tel.: (02) 983 03 35, 983 03 36
fax: (02) 983 03 41, 987 86 13

E-mail: barda@barda.net

Bulgarian International Economic Association (BIBA)

Sofia bul. "Al. Stamboliiski" 55, fl 3
tel./fax: (02) 981 91 69, 981 95 64,
988 67 76

E-mail: office@biba.bg

URL: www.biba.bg

Bulgarian Economical Forum

Sofia 1463 bul. "Vitosha" 86
tel.: (02) 951 52 59, 951 57 59

E-mail: info@biforum.org

URL: www.biforum.org

3. National employer`s representative organizations

Bulgarian Industrial Association

Contact information can be found
in "Consultative Board for stimulation of SMEs"

Bulgarian Union of private entrepreneurs "Vuzrazdane"

Sofia 1504 blv. "Knyaz Al. Dondukov" 68

tel.: (02) 926 74 17

fax: (02) 926 74 12

E-mail: vuzrazdane@union-vuzrazdane.com

URL: www.union-vuzrazdane.com

Economic Initiative Union

Sofia 1407, Lozenets
str. "Todor Nachev" 30

tel.: (02) 962 4784

fax: (02) 962 4836

E-mail: office@ssi-bg.org

URL: www.ssi-bg.org

Bulgarian Employers Union

Sofia 1202 str. "Industrialna" 11

tel.: (02) 917 88 67, 917 88 68

fax: (02) 917 88 61, 917 88 88

E-mail: headoffice@eabg.org

URL: www.eabg.org

Except the above listed organizations and institutions, the SMEs and particularly the “young” enterprises are supported by

Branch Chambers, Unions, Associations, CO-commerce and trade chambers, representatives of foreign partner organizations in Bulgaria as: Deutsche Gesellschaft für Technische Zusammenarbeit (GTZ) GmbH, Italian Institute for Foreign Trade, Japan International cooperation Agency - JICA, American Chamber of Commerce in Bulgaria etc.

Annex II

LIST OF BULGARIAN INSTITUTIONS RESPONSIBLE FOR VET FOR SME'S

◆ National Agency for vocational GENCY FOR VOCATIONAL EDUCATION AND TRAINING

Statute

Specialized body to the Council of Ministers of the Republic of Bulgaria established with the Law for the Vocational Education and Training in 2000.

Legal entity financed by the state budget with headquarters in Sofia.

Mission

Assuring and maintaining quality in the vocational education and training of young people and adults according to the labour market needs and the development of the Bulgarian economy competitiveness.

Cooperation with the social partners in implementing coordinated policies for lifelong learning, continuing vocational training and introducing successful European practices. Expanding the access of the unemployed and the employed to vocational education and training according to the labour market needs.

Ensuring public access to useful information concerning the continuing vocational training and lifelong learning in the country and in the EU.

Development of the List of professions for vocational education and training

Development of State Educational Requirements (standards) for acquiring qualifications

Strategic and operational coordination and cooperation

Long-term agreements for partnership between NAVET and all nationally representative employers and employees organizations, state institutions and organizations from various economic and vocational sectors - fostering their participation in NAVET activities, forming coordinated positions on key issues concerning human resources development.

Agreement with the Employment Agency (EA) - joint actions in relation to the quality and control assurance of the vocational training of the employed and the unemployed, establishing of an Integrated information system “NAVET- EA” for the demand and the supply of vocational training in the country.

Systematizing and dissemination of information

Legal regulations in the vocational education and training area, opportunities for

vocational training, European and national documents, international projects, workshops, conferences and discussions results etc.

Forms: NAVET website, publishing “News Bulletin”, printed and e-publications, trainings, workshops, discussions.

Keeping a register of licensed CVT and CIVG as well as of the candidate centres - the register is published on the website and is updated regularly after each change.

Keeping own system for management of database of the licensed CVT and CIVG as well as of the candidate centres.

Centre for vocational training - CVT

The licence entitles the centre to provide and certify vocational training of unemployed and the employed over the age of 16 with acquiring a vocational qualification degree or qualification in a part of a profession.

Centre for information and vocational guidance - CIVG

The licence entitles the centre to provide and certify vocational information, consultations and guidance to young people and adults belonging to different target groups.

Contact

Address: 125 Tzarigradsko schosse Blvd, block 5, fl. 5, 1113 Sofia, Bulgaria

Important Phone Numbers :

+ 3592 971 20 70 - Office of the President of the NAVET

e-mail: napoo@navet.government.bg;

For digitaly signed documents: agencia@navet.government.bg

<http://www.navet.government.bg/bg/doi>

◆ National Employment Agency

/MINISTRY OF LABOUR AND SOCIAL POLICY/

The NEA is an executive agency to the Minister of Labour and Social Policy for the implementation of the government policy on employment promotion. Finding employment allows the full use of every individual's capabilities and skills and defends its rights of dignifying existence and active social participation.

National Employment Agency - some of the main functions:

- Participation in the development and implementation of programs and measures for employment and training, aimed at designated groups of unemployed, who due to various reasons find it hard to integrate on the labour market.
- Implementation, both independently and in cooperation with other institutions, of projects and programs in the field of employment, professional qualification and training, and social integration, funded by the European Commission or/and other international donors (including Bulgarian contribution)
- Organization of qualification and motivational training for unemployed and employed
- Qualitative services for the clients - aim of the National Employment Agency

The National Employment Agency has been appointed as Intermediate Body for the implementation of the “Human Resources Development” Operational Programme. The Agency is responsible for the implementation of Priority Axis 1 and 2. Under the launched in 2007 first Call for Proposals Grant Scheme “Qualification services and trainings for employed” were submitted a total of 650 projects.

◆ Labour Office Directorate

LODs are territorial divisions of the Employment Service General Directorate.

Providing services for individuals, actively seeking employment as:

- Information on programs and measures aimed at employment and training
- Career consultation, information and guidance
- Professional and Motivational training
- Enrollment in employment programs and measures
- Scholarships for education and professional qualification

Services for Employers:

- Information on programs and measures for preserving and promotion of employment
- Enrollment in programs and measures for employment
- Bonuses for education and acquiring professional qualification or/and internship

training

Etc.

National employment programs and projects

Career Orientation

№3, Dondoukov blvd, Sofia 1000

Phone: 980 87 19

Fax: 986 78 02

E-mail: az@az.government.bg

◆ Human Resource Development Centre /HRDC/

HRDC works with the aims to

- improve the quality of training systems through the development and transfer of policies, contents, methods and procedures within vocational education and training;
- provide adults with ways to improve their knowledge and skills, keeping them mentally fit and potentially more employable. It not only covers learners in adult education, but also the teachers, trainers, education staff and facilities that provide these services;

HRDC coordinates a wide range of actions, notably cross-border mobility initiatives; co-operation projects to develop and spread innovation, mobility and thematic networks.

HRDC enables VET organisations to work with European partners, exchange best practices, increasing the expertise of their staff and respond to the teaching and learning needs of people. It therefore supports efforts to make vocational education more attractive to young people. By helping European citizens to acquire new skills, knowledge and qualifications, the programmes HRDC operates with also aim to bolster the

competitiveness of the European labour market.

15, Graf Ignatiev Str., floor 3
1000 Sofia

Tel. (+359 2) 9155 010

Fax: (+ 359 2) 9155 049

hrdc@hrdc.bg

Liudmil Kovachev, Director - hrdc@hrdc.bg

◆ The Bulgarian National Observatory

It plays a significant role in the process of vocational education and training reform by providing up-to-date information on VET and the labour market and on EU developments in the field.

Bulgarian National Observatory supports CEDEFOP/European Centre for the Development of Vocational Training with informational data for all services and products

◆ Bulgarian Association of the regional development agencies

Improved Economic Environment in Bulgaria through Measures for Encouragement of Entrepreneurial Initiative and Employment in Accordance with Economic Development Strategies of the Regions

BARDA is the only decentralised non-governmental umbrella organisation of independent regional development agencies and business centres in Bulgaria

Operational objective

BARDA aims to sustain, enhance and promote a Viable Network of Sustainable Local Entities that Foster Regional Development in Bulgaria

Training of entrepreneurs and collaborators

Carrying out of courses for starting entrepreneurs

Consultation of national and international programmes for SME's encouragement

The BARDA Network offers a wealth of SME and municipality support services training material designed to meet the needs of emerging and developing SMEs.

Bulgaria, Sofia 1000

6 "Triaditsa" Str.

Katya Goranova - Chairperson of the BoD

Dimitrina Todorova - Executive Director

Phones:

+359 (2) 983 03 42

Fax: +359 (2) 983 03 41

E-mail: barda@barda.info

www.barda.net

The Bulgarian Association of Management Consulting Organizations (BAMCO) unites and represents professional consulting companies and certified consultants. Through its members BAMCO can access more than 600 highly qualified management consultants. BAMCO mission is to maintain high professional and ethical standards in the field of management consulting, to contribute to the development of the management consulting market and to support its members in identifying and realizing of business opportunities.

1, "Macedonia" square
17th floor, office 7
1000 Sofia , Bulgaria
phone: (+359 2) 4010 506
fax: (+359 2) 4010 506
bamco@bamco.bg
<http://www.bamco.bg>

◆ Bulgarian Industrial Association /BIA/

Legal status

The Bulgarian Industrial Association - Union of the Bulgarian Business (BIA) (named Bulgarian Industrial Association till 2006) is a voluntary, non - governmental organization of the Bulgarian industry.

BIA is an umbrella organization with a matrix structure, vertically representing the branch (sector) oriented organization and horizontally the regional and municipal organizations. BIA has played a crucial role in initiating and coordinating the foundation, consolidation and establishment of the branch (sector) and regional business organizations in Bulgaria. BIA is the only national business organization in Bulgaria that has attracted large scientific organizations and universities as members, which is of particular importance for the processes of technological renovation and innovations, for establishing a more direct link between science and business. The Bulgarian Academy of Sciences and universities are our undisputable partners.

For executing the functions and objectives of BIA, as well as the fulfilment of all-round services, which the Association offers, 14 centres are set up - for exemple - Vocational Training Centre, Computer Training Centre, Small and Medium-sized Enterprises Centre

SERVICES

Internet Center BIANet

Computer training and CISCO Academy

BEIS - Bulgarian enterprises information system

Contact:

16-20 Alabin Str., Sofia 1000, Bulgaria
phone: +359 2 932 09 11
fax: +359 2 987 26 04
office@bia-bg.com
<http://b2b.bia-bg.com/>
<http://www.bia-bg.com>

◆ Bulgarian Chamber of commerce and industry

The Bulgarian Chamber of Commerce and Industry (BCCI) is an organization, which enables its members to unite and protect their interests. The members of the Chamber are part of this organization. The BCCI's members problems can be solved not by the BCCI but through the BCCI - based on partnership efforts and cooperation.

Offers competent vocational training in 21 cities countrywide in partnership with Sectorial organisations and associations and experts from the practice.
Issues internationally recognised certificates together with foreign partners.

1058 Sofia, 9 Iskar Str.
Tel.: (02) 811 74 00, 987 26
Fax: (02) 987 32 09
E-mail: bcci@bcci.bg
<http://www.bcci.bg>

◆ The Research& Development Sector (R&DS) OF "A. Kanchev" University, Rousse

The Research & Development Sector (R&DS) of "Angel Kanchev" University of Rousse was founded in according to the regulations concerning the work of the University. Its main task is to organize "the research and production work, as well as student's internship".

Rousse 7017, 8 "Studentska" Str.,
"Angel Kanchev" University of Rousse, R&DS
Tel: 082- 451 109; 44 507 547
E-mail: NIS@ru.acad.bg
Director - Assoc.Prof. Ivan Kolev, Ph.D
Tel/Fax: 082 - 451 109, e-mail: Kolev@ru.acad.bg

◆ National Chamber of Skilled Crafts of Bulgaria

The National Chamber of Skilled Crafts is a Bulgarian artisans' organization and comprises 25 Regional Crafts Chambers as well as 10 national branch associations.

Sofia - 1000, 7A Aksakov Str.
Tel.: (02) 930 53 30 /1,2,3/
Fax: (02) 930 53 30
E-mail: nzk@abv.bg
[http:// www.nzkg.org](http://www.nzkg.org)

◆ Institute for international cooperation of the German adult education association - Project offica, Sofia (IIZ/DVV)

IIZDVV-BG is a regional branch of IIZ/DVV - Germany, the Institute for International Cooperation at the Association of the German Popular Universities.

Today, the VHS are Public continuing adult education centers which offer very varied provision, ranging from communication and personal development, vocational qualifications and inservice training, school-leaving and other certificate courses, to social participation and integration through adult education (AE).

The institute supports the design and implementation of AE programmes in numerous partner countries, fosters cooperation between German and International AE, and promotes the exchange of information and experience in this field.

Institute for International Cooperation of the German Adult Education Association - project office Sofia (IIZ/DVV)

13 A, Sheinovo Str.

1504 Sofia

Bulgaria

Tel: +359 / 2 / 944 22 54

Fax: +359 / 2 / 946 17 37

E-mail: info@iizdvv-bg.org

Annex III

LIST OF INSTITUTIONS SUPPORTING BEST PRACTICES AND INNOVATION PROJECTS FOR YOUNG ENTERPRISES

MINISTRY OF ECONOMY AND ENERGY /MEE/

The Ministry of Economy and Energy has supported the establishment of 4 Centers for Entrepreneurship, where students are trained in Management - at the University of Forestry, Sofia and Plovdiv, as well as in the Universities in the Technical Universities in Gabrovo and Varna.

Contact:

MEE

8, Slavianska Str.

Tel. 940 7581

e.anavi@mee.government.bg

www.mee.government.bg

TECHNOSTART PROJECT

The Ministry of Economy and Energy and the United Nations Development Programme launch their new joint initiative "**Promotion of Innovative Participation among Young People in Bulgaria - TECHNOSTART**" with the opening of the project's National Grant Award Competition on July 1, 2008. Candidates eligible to apply for grant assistance are individuals that are Bulgarian citizens up to 29 years of age who are university students in the calendar 2008 or complete their bachelor's or master's degree studies in the calendar 2008 in an accredited higher education institution incorporated under the Higher Education Act. Additionally, an eligible candidate may not be a company owner. In 2008

TECHNOSTART will provide grant assistance to up to 7 micro and small youth technology companies. Each approved candidate may be awarded a grant financing of up to BGN 20 000 based on the approved business plans whereas the prospective entrepreneurs shall provide mandatory financial and/or in-kind contribution equivalent to 10 per cent of the requested grant financing. The year's budget of TECHNOSTART amounts to BGN 168 000 and is provided by the Ministry of Economy and Energy.

*Contacts: Sofia 1784, 131 Tsarigradsko shose blvd, 3rd floor, PO Box 160
Project "Job Opportunities through Business Support" (JOBS)*

NATIONAL INNOVATION FUND

On the 8-th of September 2004 THE NATIONAL INNOVATION STRATEGY OF BULGARIA and the measures for its implementation was adopted with Decision № 723 of the Council of Ministers.

- The Bulgarian innovation strategy is aiming at increasing the competitiveness of Bulgarian industry, through the introduction of new knowledge-based products, materials technologies for producing, management and services. According to the strategy the financial instrument for its implementation will be a National Innovation Fund. On 15 March 2005 the Fund started functioning as it opened a call for proposals.

The strategic goals of the Fund are to increase the competitiveness of the Bulgarian economy through the encouragement of market-oriented applied research for the needs of industry as well to create the necessary background for public investments in innovations according to the Innovation Strategy of Bulgaria.

The operational goals of the fund are:

- To subsidize part of the costs for market-oriented applied research, R&D projects intended to be implemented in the industry.
- Fulfill the measurements stated in the Innovation strategy
- To make use of the opportunities which are provided in the Bulgarian Law on State Aid to support the innovative companies

- BSMEPA is engaged in the whole activity related to the administration of the Fund.

For the subsidy may apply all legal entities registered under the Bulgarian Commercial Law in case they realize their project in the country alone or in partnership with other entities registered by the trade Law, Universities, Bulgarian Academy of Science, scientific organizations and teams.

The budget of the Innovation Fund for 2005 is 5 mln. BGN.

JUNIOR ACHIEVEMENT BULGARIA

Junior Achievement is the world's oldest, largest and fastest-growing non profit economic education organization. Founded in the U.S. in 1919, Junior Achievement operates in thousands of communities across the USA through a network of 156 U.S. offices. Junior Achievement Worldwide is responsible for developing and serving JA programs in nearly 100 countries around the world.

Junior Achievement Bulgaria, registered as a not-for-profit organization on February 5, 1997, is a member nation of Junior Achievement Worldwide (JAW), USA and Junior Achievement - Young Enterprise (JA-YE), Europe.

JAB was created to educate young Bulgarians to value free enterprise, understand business and economics develop ethical leadership and be workforce ready for the challenges of the future. JAB provides training, service and technical support to the best and the brightest teachers and students in Bulgaria's high schools.

"Youth Business"

Matching the ambitions of aspiring Bulgarian youth entrepreneurs (age 18-29) with the resources they need to realize their dream is the goal of the new JAB program Youth Business, a joint initiative of Junior Achievement Bulgaria, the Balkan Children and Youth Foundation (www.balkanyouth.org) and Youth Business International (www.youth-business.org) .

Following a threefold approach Youth Business provides access to financing of the business ideas through seed loans, especially designed for youth; offers tool kits and guidelines to assist youth in developing their own small businesses, thus creating jobs for peers and family members; and establishes one-to-one mentoring by experienced business people to advise and support the young entrepreneurs.

JAB envisages its new program as a natural continuation of the JA Student Company program, allowing for a further application of the entrepreneurial spirit and skills, developed in JA classes. Youth Business, however, is open to all young people, including those with an already established business that will develop in the future.

The first group of young entrepreneurs was awarded their checks on January 19, 2006.

Contacts: Sofia 1000
1, Hristo Belchev Street, Apt. 7
tel: +359 2 989 36 60
tel/fax: +359 2 987 43 61
E-mail: jab@jabulgaria.org
<http://www.jabulgaria.org>

Annex IV.

CLUSTERS IN BULGARIA

1. Cluster “Furniture of Troyan”

Contacts: Kremena Dobрева

E-mail: office@rikostyle.bg

тел.: 0888 692 453; 0885 279 225

2. Tourism Cluster „Tourism Rodopi BG“ Smolyan

Contacts: Georgi Pamporov

E-mail: pampo@gbg.bg

тел.: 0301/63 420

3. Bulgarian ICT Cluster (information and communication technologies)

Contacts: Tanya Popova, Dobromir Dobrev

E-mail: info@ictalent.org

тел.: 976 97 44

4. “Srednogorie Med Industrial Cluster” / SMIC /

Contacts: Ivelina Leshtarova

E-mail: office@srednogorie.biz; ilestarova@srednogorie.biz

тел.: 07181 5913

5. Cluster “Bulgarian silk” - Sofia

Contacts: Olyana Parvanova

E-mail: tkbgsilk@hkbbg.com

тел.: 987 87 27; 926 674 49; 926 68 35

6. Industrial Cluster- Agricultural engineering - Ruse

Contacts: Tihomir Kayryakov

E-mail: : tisem97@abv.bg; tik@mlnk.net

тел.: 082/ 845 785; 0897 905 590

7. Varna Tourism Cluster

Contacts: Stoyan Marinov

E-mail: vtk@tourexpo.bg

тел.: 052/612 811; 052/602 417

8. Tourism Cluster Balkania - Troyan

Contacts: Darya Zarichinova

E-mail: balkania@abv.bg

Tel.: 971 71 47

9. Store Clothes Cluster - Haskovo

Contacts: Stanislav Videv

E-mail: office@ueti.org
тел.: 038/623 678

10. Cluster “Energy Heart of Bulgaria” - Radnevo

Contacts: Donka Petkova
E-mail: zahara@mbox.contact.bg
тел.: 042/627 272

11. Cluster “Traditional Bulgarian Foods on European Table” - Stara Zagora

Contacts: Spas Spasov
E-mail: sk_sz@sz.inetg.bg
тел.: 042/604 242; 042/41 141; 0887 924 032

12. Eco- industrial cluster - Pernik

Contacts: Simeon Iliev
E-mail: rbc_pk@abv.bg
тел.: 076/630 426; 076/640 425

13. Cluster for digital media - Sofia

Contacts: Dobrian Dobrev
E-mail: home@i-space.org
тел.: 983 48 43

14. Bulgarian Media and Printing Cluster - Sofia

Contacts: Yassen Visulchev
E-mail: dep.chairman@kbmp.org
Web: www.kbmp.org ; www.bmpc.eu
тел.: 963 32 32

15. Cluster “Lasers & Optics” - Plovdiv

Contacts: Petar Staykov
E-mail: office@optela.com

16. Cluster “The Wine of Thracian” - Haskovo

Contacts: Nikolay Konsulov
E-mail: rsk_hs@reg.bia-bg.com
тел.: 038/665 152

17. Cluster “Furniture Production” - Stara Zagora

Contacts: Gospodin Nikolov
E-mail: radmisz@dir.bg; gospodinnikolov@dir.bg
тел.: 042/253 031

18. Cluster “The Road of Dionysus” - Plovdiv

Contacts: Konstantin Madjarov
E-mail: kmadjarov@gmail.com
тел.: 032 63 08 65; 0896 68 58 28

19. Cluster “The Green rug of Eastern Rodopi” - Kardzali, Haskovo

Contacts: Ivan Penkov

E-mail: agfb@mail.bg

тел.: 988 44 03; 0888 695 549

20. Cluster “The Road of Orpheus”

Contacts: Konstantin Madjarov

E-mail: kmadjarov@gmail.com

тел.: 032 63 08 65; 0896 68 58 28

Contacts:

a.kovachev@mee.government.bg или clusters@mee.government.bg