

Project application form under the Instrument for Recovery and Resilience Facility

1. Project name.
Development of regional administrative capacity for modernization of the enterprises of the social and solidarity economy and introduction of individualized software, hardware, network and marketing solutions.
2. Description of the project (objectives, main activities).
<p>Key challenges: The crisis, social and economic, caused by the pandemic is causing a transformation, both in terms of economic competitiveness - strengthening distance forms of trade, production, outlet and marketing, and in terms of public relations - social distancing, increasing the risks of excluding vulnerable people, especially in less developed regions, a change in the fundamental values of the European social model.</p> <p>The created epidemiological situation disrupted the natural rhythm of work of the subjects of the social and solidarity economy, which led to difficulties in their functioning, as well as to the inability of a number of them to overcome deficits, incl. and related to the lack of appropriate digital skills, but also mandatory for the transforming markets marketing and outlet competencies.</p> <p>The enterprises of the social and solidarity economy are enterprises that emphasize the integration of values and social goals in their entrepreneurial models. This leads to their differentiation from conventional enterprises and limits their opportunities to acquire market share without the availability of material and / or logistical support from the state, municipalities or socially responsible corporate entities.</p> <p>In Bulgaria, the Law on Enterprises of the Social and Solidarity Economy (LESSE) introduced a support approach, which is based on creating conditions for the development of the entrepreneurial element and innovation without introducing the widespread in other countries components of support from national budgets (differentiated VAT, reserved share of public procurement, subsidies, etc.). The differentiation of the revenues of these enterprises is a market-constructed, justified and aimed at creating sustainability of the models beyond the public support, approach. Networking, business and social partnerships and joint initiatives between social and solidarity economy enterprises, employing vulnerable people or investing their profits in social purposes, and local authorities and the corporate / conventional sector are limited by two deficient components: weak decentralization of administrative capacity and weak digitization of production processes or the provision of services by the enterprises themselves.</p> <p>Against the background of the pandemic, a major deficit in the social and solidarity economy policy emerged - its weak regional representation and lack of administrative capacity on the ground to adequately meet the needs of enterprises in the social and solidarity economy.</p> <p>The development of the regional aspects of the policy and the making of adequate regional decisions turn out to be of key importance for the realization of an individualized digital transition. This allows the selection of software, hardware solutions related to the placement of goods and services to be consistent with the specifics of development in different planning areas, with those of individual communities and with those of supply and demand.</p> <p>Based on the above, the following deficits can be identified:</p> <ul style="list-style-type: none"> • weak regional representation of the social and solidarity economy policy; • technical backwardness of the processes of production of goods and services in enterprises due to their hybrid socio-economic model; • reduced employability of employees in social and solidarity economy enterprises; • limited opportunities for social inclusion through training; • poor visibility, leading to a lack of strategic partnerships and investments; • weak coordination links at regional level, hampering mutual assistance and networking.

The failure to achieve the main objectives, namely the development of regional administrative capacity, networking and the introduction of digital and hardware solutions in entrepreneurial models will lead to a further deepening of the deficits related to the employability and social inclusion of their employees, a large part of who are people from vulnerable groups. This will further reduce the competitiveness of the enterprises of the social and solidarity economy, will hinder their access to resources adequate to their needs.

1. Objective of the project proposal

The aim of the project proposal is to develop a regional approach to the policy of social and solidarity economy and to create focus points in order to modernize the enterprises of the social and solidarity economy.

The project is fully in line with the proposed by the EC, European Digital innovation Hubs – in support of enterprises digitalization.

For the realization of the project proposal, the focus points have functions on:

- Encouraging, promoting, consulting and assisting in the digitalization of the work processes of the subjects of the social and solidarity economy;
- Supporting the introduction of individualized digital (software / hardware) solutions in entrepreneurial models;
- Building business and social networks with local authorities, academic communities, conventional business, with other subjects of the social and solidarity economy in order to increase the visibility of the social and solidarity economy and its public benefits.
- Support for regional competitiveness of the social economy in building stable relationships between market participants, in support of the entrepreneurial spirit;
- Providing technical assistance, logistical and communication support for the construction of networks of enterprises for the production and distribution of a product, which will support the development of innovation.

The social and solidarity economy and the social enterprises have a proven role in preventing the socially-economic consequences of lack of employment and social inclusion, especially of people of vulnerable groups. In the political agenda on an European and National level they are seen as a key employer for people from vulnerable groups and play a crucial role in their integration into the labor market and the provision of skills. They are also important in the fight against COVID-19 and economic recovery¹.

By data of the National Statistical Institute, by statistical regions (NUTS2), the distribution of the subjects of the social and solidarity economy, according to the Law for the enterprises of the social and solidarity economy² is as follows:

Statistical regions (NUTS2)		2018
Code	Name	Number of SSE
BG	TOTAL	12077

¹ Letter from Commissioner Nicola Schmidt on social enterprises and the social economy sent to the Minister for Labor and Social Policy on 24.04.2020 The letter from Commissioner Nicola Schmidt calls for ensuring that social and solidarity economy organizations are given the conditions and will be supported so that they can successfully fulfill their role in managing and overcoming the crisis. It is also stated that it is extremely important that none of the organizational forms of the social economy be excluded from the support programs

² subjects of the social and solidarity economy, according to the Law for the enterprises of the social and solidarity economy, in force from May 2019 - <http://seconomy.mlspl.government.bg/bg/page.php?c=38>

BG31	North - West	1224
BG32	Central North	1628
BG33	North - East	1658
BG34	South - East	1678
BG41	South - West	3870
BG42	Central South	2019

For 2018, the share of their value added to the country's GDP is less than 1%, and shows uneven distribution in the country's regions. This uneven location is due to different models of specialization, especially in those regions where economic activity depends on direct contact with consumers.

For 2019, according to National Statistical Institute data, their total number is: 1972 cooperatives, 10,302 non-governmental organizations registered in public benefit.

As of December 31, 2020, 26 social enterprises are registered in the Register of Social Enterprises at the MLSP³, and 222 registered enterprises in the Register of Specialized Enterprises and Cooperatives of and for People with Disabilities at the Agency for People with Disabilities⁴ – 222 registered enterprises.

The regimes of entry in the indicated registers are legally regulated, according to certain legal requirements. The employment of persons from vulnerable groups on the labor market is one of the requirements for entry in both registers, as the common denominator between them is the possibility to employ people with permanent disabilities. The Register of Social Enterprises includes those who can also employ persons from a total of 12 vulnerable groups, including people with permanent disabilities. Based on the provisions of the legal framework, monitoring is carried out periodically.

At present, the policy is implemented centrally through National Action Plans based on a national concept in this area. The only regional aspect of the national policy is the ones organized with the assistance of the MLSP regional bazaars and presentation events. The introduction of a new regional approach, based on the identification of specific economic activities, social added value and competitive deficits of the subjects of the social and solidarity economy on the ground will reduce sporadic effects, improve the environment, provide visibility among potential partners and consumers, sustainability of the market presence and sustainable social impact. Modeling of regional focus points will modify / reform / supplement the overall ecosystem and policy for the development of entrepreneurship and its integration into modern processes related to digitalization and environmental impact.

The analyzes show the existence of "nests" of poverty and social exclusion, regional disparities in the labor market, limited access to services and employment opportunities. In the absence of policy reform actions, people employed in social and solidarity economy enterprises (over 25,000 people) will be at risk of social exclusion. Many of them are highly vulnerable to their integration. In 2019, 22.6% of the population are at risk of poverty (for comparison, in 1918, 22.0% of the population were at risk of poverty)

In 2019 there is an increase in income inequality, the Gini coefficient increases from 39.6 in 2018 to 40.8 in 2019. The other measure of income inequality is the ratio of 20% of the richest and poorest households increases from 7.7% in 2018 to 8.1% in 2019.

In regional terms, there is a decline in employment in all regions. Compared to the nine months of 2019, in 2020 the number of employees aged 15-64 decreased most significantly in the South-West region (by 41.7 thousand), the South-Central region (25.3 thousand) and the South-East region (by 21.4 thousand). In the North-Central and North-Western regions the employed decreased by 11.6 thousand and 11.2 thousand, respectively, and in the North-Eastern region by 6.9 thousand. The employment rate for the population aged 15-64 is higher than the national average (68.4%) in Southwestern (73.6%) and North Central (68.5%). It is lowest in the Northwestern (58.3%) and Northeastern regions (66.3%). The unemployed increased by 22.9 thousand on an annual basis and their number in the first nine months of 2020 reached 167.2 thousand. The unemployment rate was

³ <https://secprod.mlsp.government.bg/index.php?section=REG>

⁴ <https://ahu.mlsp.government.bg/portal/se/>

5.1% on average for the three quarters of 2020.

According to business statistics⁵, the overall business climate indicator for 2020 is declining sharply, indicating a deterioration in the business environment in which social and solidarity economy enterprises operate. Among the main obstacles to business development is the uncertain economic environment.

In these and in the conditions of a pandemic, the implementation of economic activity for social purposes is even more limited. The establishment of focus points on the territory of the country to support and assist social enterprises will prevent economic bankruptcies, which may deepen as a result of interruption of their activities and the dismissal of their staff, 95% of whom are the most vulnerable in the labor market groups, which is a prerequisite for serious social marginalization (the difficult life situation of employees from vulnerable groups will increase the degree of negative social consequences for them).

The social added value of enterprises often concentrates its usefulness on specific regional specificities, and their competitiveness as SMEs should be commensurate with that of their direct competitors operating close to them. The lack of regional coordination links does not contribute to the implementation of the highly recommended for this social business model networks for partnership and mutual assistance. Relationships with universities and large corporate entities are poorly established, which has a negative impact on the ability of SSE entities to play a more significant role in limiting the negative consequences of adverse trends in the development of public relations, e.g. related to the demographic picture, aging, regional imbalances, social services and the elderly. The policy for development of the social and solidarity economy and entrepreneurship would be reformed through the implementation of the project also in terms of creating conditions for inclusion of social entrepreneurs and all subjects of the social and solidarity economy in the inter-institutional and civil dialogue. The information arrays for policy development could be significantly enriched and subject to various analytical sections. The overall effect of the development of activities should also be linked to the degree of maturity and application of social innovations for employment, inclusion, education, care for the environment and democratic participation of citizens in decision-making processes.

The focus of the project proposal is on expanding and modernizing the opportunities for support of the subjects of social and solidarity economy by reforming the policy and applying an individualized approach to the needs of each individual subject of social and solidarity economy by highly qualified expert staff. The market transformation in a pandemic and the smooth implementation of the green and digital transition through targeted surveys will be offered to all registered social and specialized enterprises that have expressly agreed. The production socio-economic models will be examined, the process ends with a report containing recommendations for their digital and green optimization, which is provided to the company. The project envisages subsequent implementation of the set solutions in half of all registered enterprises. The opportunity for individual counseling will be available to all persons - subjects of the social and solidarity economy, according to the Law on Enterprises of the Social and Solidarity Economy. The creation of a network of focus points with territorial coverage in the six regions of the country (with the possibility of creating such in the regional centers) and the building of explicit expert capacity to overcome the deficits of specialized, including digital skills, knowledge and capacity, and use of the advantages of digital and digital tools for their work processes, will achieve the realization of the project idea.

Representatives of local academic circles, local business, local media, local authorities and other local organizations and institutions will be involved in the expert staff, with the necessary expertise to carry out specific activities (consulting, mediation, etc.).

The implementation of the project idea will respond to the need for a consistent approach to

⁵ National statistical institute

collecting information, creating knowledge and disseminating it for the development of the social economy in the different regions, including the development of human resources and supply and demand in the labor market. Analyses show that this would be best done by specially designed structures. They will be able to work constantly to improve the processes of collecting, creating and disseminating information and knowledge, and this is done not sporadically at will, request or specific search, but constantly, as part of the mission of the structural units themselves. A regional structure could offer opportunities for local stakeholders to agree on different medium- and long-term priorities for collecting, creating and disseminating information and knowledge about local labor markets. They will be able to seek interaction with local partners and assist public and private individuals in their decision-making.

The project idea is related to the implementation of Priority 12: Achieving a higher standard of living through partnership with business, citizens and social partners, Objective 41: Improving the quality of life of groups of the population through the development of the social economy and through transparent, socially responsible business practices, Measure 154: Creating an environment that leads to a contribution of nearly 2% in GDP of social economy enterprises, from the Management Program of the Government of the Republic of Bulgaria (2017-2021) The project idea also implements measures from the Strategic Plan of MLSP until 2021, namely Priority № 13: Development of a favorable environment for the manifestation of entrepreneurial decisions with social impact.

2. Specific objectives

2.1. To provide local environment and regional development through focus points; an environment that favors the technological and know-how development of the subjects of the social and solidarity economy.

2.2. To apply an individualized approach to support to the individual development needs of each individual subject of the social and solidarity economy, taking into account the level of development and capacity.

2.3. To raise awareness and facilitate access to individualized support for starting or developing social entrepreneurship, in the context of a pandemic with a focus on disadvantaged people. technological development of the subjects of the social and solidarity economy.

2.4. To create the conditions for building networks, clusters in the social economy through improved know-how, digitalization and technological development of the subjects of the social and solidarity economy.

2.5. To support the awareness of the subjects as representatives of a separate economic sector with their own interests and the need for adequately organized protection in the framework of social and civil dialogue.

The expected results from the creation of the focus points are related to:

- Created digital environment of highly productive and adaptive regional social and solidarity economy and social entrepreneurship, with the presence of many small and medium enterprises producing products and / or services for consumption.
- Coordination between the various subjects of the social and solidarity economy at regional and local level.
- The development of knowledge in the scientific field in various areas of the social and solidarity economy, as well as the support of innovation and educational activities in the field.
- The introduction of operational principles for co-production and distribution of goods, which will enable many small producers to produce products that are of high quality and competitive price on the global market.

Ensuring sustainability - achieved through trained staff, established networks and partnerships, the availability of a database with local stakeholders in the local established administrative capacity to manage processes in the field of social economy at the local level, transformation of centers into local

incubators, implemented under the form of public-private partnership (following the example of the model of the municipality of Troyan), based on maintaining their functioning and by contributing the available assets. This will ensure the continuation of the launched digital and environmental transition, as well as conditions for unleashing the potential for representation and participation of the social economy in decision-making by local authorities and subsequently at the national level.

The project will support the process of building the sector of social and solidarity economy as a technologically-adapted sector with high added value, expressed adaptability to the changing economic environment and ability for competitiveness. This is achievable, namely by examining the needs and deficits (in some cases the support would be focused on basic skills and adaptation to digital work methods, in other cases to high-tech work and training processes, according to the individual needs of a particular enterprise).

These components of the project help to build a sustainable economic sector, which can be an engine for economic development of the regions in the country.

For achieving the objectives, **the following main activities** are foreseen:

Activity 1: Creating focus points (regional centers).

Activity 2: Needs survey and integration of solutions for digitalization of the (production) processes of the subjects of the social and solidarity economy.

Activity 3: Encourage networking and conducting trainings, discussions, initiatives and partnerships for inclusion of social entrepreneurs in social and civic dialogue with state institutions, local authorities, local communities (local businesses, civic associations, schools, influential citizens (informal local leaders), etc.

Activity 4: Networking, clusters in the social economy, especially with socially responsible corporate entities and institutional representatives of the education system at the level of secondary and higher education.

State aid: Activity 2 and the training under activity 3 will constitute minimum aid for the respective enterprises in the field of social and solidarity economy.

3. Beneficiary.

Ministry of labor and social policy

4. Time schedule for project implementation, including activities, stages. Graphically presented at the end of the project fiche.

Activity 1: Creating focus points.

Stage 1: : Identification of the places for positioning of focus points (Regional Center) in a specific regional city of the Planning Region (NUTS-2)..

- Survey and identification of stakeholders and the environment within each of the six planning regions
- Acquisition of premises

Stage 2: Infrastructure rehabilitation and technical provision

- Technical provision of focus points with equipment and software
- Providing shared work spaces (co-working space, multifunctional halls for civil and entrepreneurial events)

Stage 3: Providing expert capacity

- Hiring of staff

Start of the activity: First month from the beginning of the project
Duration: 8 months

Activity 2: Needs survey and integration of solutions for digitalization and environmental impact of (production) processes of the subjects of social and solidarity economy

Stage 1: Digitalization of work processes:

- Survey of the specific needs and deficits of registered social enterprises and subjects of the social and solidarity economy;
- Purchase and implementation in the work of the subjects of the social and solidarity economy of software and hardware solutions, artificial intelligence, equipment with 3D-printers, 3D-scanners, etc.

Start of the activity: Forth month from the beginning of the project
Duration: 31 months

Activity 3: Encourage networking and conducting trainings, discussions, initiatives and partnerships for inclusion of social entrepreneurs in social and civic dialogue with state institutions, local authorities, local communities (local businesses, civic associations, schools, influential citizens (informal local leaders), etc.

Stage 1: Creating a database by specialists

- Creation and updating of a database by specialists, including from the academia, local business structures, specialists from the local government, etc.

Stage 2: Conducting consultations, trainings, initiatives and partnerships

- Conducting consultations for starting a social enterprise
- Consultations on financial instruments and digitalization of start-ups of the social and solidarity economy
- Assisting the subjects of the social and solidarity economy in preparing documentation for providing financial resources in partnership with stakeholders;
- Conducting trainings for representatives of the digitalized enterprises for work with the newly introduced digital tools
- Marketing of products and services of enterprises, including through strategic partnerships
- Consulting services for the specific needs of specific subjects of the social economy, for which there is no expert capacity in the respective focus point (Regional Center)

Start of the activity: Forth month from the beginning of the project
Duration: 33 months

Activity 4: Networking, clusters in the social economy, including with socially responsible corporate entities and institutional representatives of the education system at the level of secondary and higher education.

- Building networks, clusters in the social economy
- Supporting the establishment of links with similar structures in Bulgaria and other countries inside and outside the EU and exchange of experience, ideas, training, etc .;
- Supporting the establishment of networks with socially responsible corporate entities and institutional representatives of the educational system at the level of secondary and higher education;
- Testing of new support programs and testing of new forms of exchange and networking;

Start of the activity: Seventh month from the beginning of the project
Duration: 30 months

Activity 5: Project organization and management

Start of the activity: with the start of the project
Duration: 36 months

Activity 6: Ensuring publicity of the project

- Production of videos for TV and others. electronic media, information materials for advertising the project
- Organizing and conducting information campaigns
- Organization and holding of public events, etc. to advertise the project

Start of the activity: with the start of the project
Duration: 36 months

4.1. When can the project implementation start at the earliest after its approval?

Within one month after the approval of the project.

5. Indicative financial resource by activity, including sources of financing (national budget, European funding, private funding, IFIs)

Activity 1: Creating focus points.

The activity includes identification of the places for positioning of the focal points, acquisition of premises and their equipment - purchase of machines and equipment with up-to-date software, hardware and technical equipment, office furniture and rehabilitation activities in existing premises, separation of separate working premises, hiring and staff training, as well as preparation of work plans for the focus points.

Indicative amount: BGN 10 693 558,74 with VAT
Source of funding: European

Activity 2: Needs survey and integration of solutions for digitalization and environmental impact of the work processes of the subjects of the social and solidarity economy.

Survey of the specific needs and deficits of social enterprises, registered in the Register of social enterprises, and of subjects of the social and solidarity economy. Analysis of specific subjects of the social economy for the implementation of digital tools in their work. Purchase and implementation in the work of the subjects of the social and solidarity economy of software and hardware solutions, artificial intelligence, equipment with 3D-printers, 3D-scanners, etc. Impact assessment.

Indicative amount: BGN 8 371 000 with VAT
Source of funding: European

Activity 3: Encourage networking and conducting trainings, discussions, initiatives and

partnerships for inclusion of social entrepreneurs in social and civic dialogue with state institutions, local authorities, local communities (local businesses, civic associations, schools, influential citizens (informal local leaders), etc.

The activity includes the creation of a database of specialists with diverse expertise, including academia, local business structures, local government specialists and others. Organizing and conducting consultations to cover deficits, as well as on opportunities, including financial ones, leading to achieving sustainability. Assisting the subjects of the social and solidarity economy in preparing documentation for providing financial resources, organizing and conducting trainings for the representatives of the digitalized enterprises for work with the newly introduced digital tools. Supporting the process of initiating and creating partnerships, including strategic ones in connection with the marketing of products and services of enterprises. Organizing and conducting specific consultations on specific needs of the subjects of the social and solidarity economy.

Indicative amount: BGN 2 369 620,00 ЛВ. with VAT

Source of funding: European

Activity 4: Networking, clusters in the social economy, especially with socially responsible corporate entities and institutional representatives of the education system at the level of secondary and higher education.

Supporting specific subjects of the social economy to build networks and clusters Support in conducting a marketing campaign, as well as products produced by the network. Supporting the establishment of links with similar structures in Bulgaria and other countries in and outside the EU and exchange of experience, ideas, training, etc. Supporting the establishment of networks with socially responsible corporate entities and institutional representatives of the education system at secondary and higher education; Testing of new support programs and testing of new forms of exchange and networking; Organization and holding of public events, etc. to promote the business models of the subjects of the social solidarity economy.

Indicative amount: BGN 900 000,00 with VAT

Source of funding: European

Activity 5: Project organization and management.

Indicative amount: BGN 511 738,70

Source of funding: European

Activity 6: Ensuring publicity of the project.

The activity envisages conducting information campaigns and events, including the preparation of information and video materials, as well as conducting public events to promote the project and create a positive attitude of people towards social entrepreneurship.

Conducting information campaigns through various channels (television, radio and electronic media, etc. production of videos, information materials, public events, etc.), for the entire period of the project.

Indicative amount: BGN 210 000 with VAT

Source of funding: European

Total: BGN 23 055 917,44 with VAT

Indicator for the agreed funds: 2021 – BGN 23 055 917, 44
5.1. Indicatively allocate the financial resource according to the type of expenditure:
<ul style="list-style-type: none"> - Construction / rehabilitation of infrastructure (construction and installation work) - 1.6% - Physical capital (purchase of machinery and equipment) - 48.7% - Human capital (skills development, retraining...) - 6.2% - Labor (labor costs, consulting services...) - 24.7% - Technology (costs for acquisition of IFA (intangible fixed assets) - patents, software...) - 18.8%
6. Indicators
6.1. Result indicators
1. Created focus points – 6 pcs.
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - End value – =6 pcs. [2022]
2. Year-round regional bazaars (economic forums)– 6 pcs.
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] End value – = 6 pcs. [2023]
3. Conducted consultations with individuals and legal entities – 3000 pcs.
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - Intermediate value – 1000 pcs. [2022] - Intermediate value → 2000 pcs. [2023] - End value – > 3000 pcs. [2024]
4. Conducted trainings - 2400 trained by the digitalized enterprises to work with the newly introduced digital tools
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - End value – ≥2400 pcs. [2023]
5. Subjects of social and solidarity economy surveyed for the possibility for digitalization of their work processes
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - Intermediate value → 170 pcs. [2022] - End value – ≥200 pcs. [2023]
6. Reports prepared by the surveyed enterprises
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - Intermediate value → 170 pcs. [2022] - End value – ≥200 pcs. [2023]
7. Digitized production processes and / or introduced social innovations by subjects of the social and solidarity economy - 100 pcs.
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021]

<ul style="list-style-type: none"> - Intermediate value → 80 pcs. [2023] - End value – ≥100 pcs. [2024]
8. Created networks of enterprises and partnerships - 24 pcs.
<ul style="list-style-type: none"> - Initial value - 0 pcs. [2021] - Intermediate value – 6 pcs. [2022] - Intermediate value → 18 pcs. [2023] - End value – ≥ 24 pcs. [2024]
9. Does the project require the opening of a procedure pursuant to the Public Procurement Act (PPA)?
Yes.
9.1 If a procedure under the Public Procurement Act is required, what part of the activities and financial resources will be a subject of the public procurement?
<p>The subject of the public procurement will be:</p> <ul style="list-style-type: none"> • construction or rehabilitation of infrastructure (construction and installation work); • purchase of machinery and equipment; • human capital (skills development, retraining; • costs for acquisition of intangible fixed assets - patents, software. <ul style="list-style-type: none"> • The financial resource amounts to BGN 16,254,421.80 with VAT from the total financial resource of the project. • About 70.5% of the total financial resource of the project.
9.2 If a procedure under the Public Procurement Act is required, what is the indicative schedule for its implementation?
The indicative schedule is on average 4-6 months from the preparation and announcement to the conclusion of a contract in the absence of an appeal.
10. Demarcation and complementarity.
10.1 If similar projects have been implemented (regardless of their source of funding), describe how this project builds on/complements what has been achieved with previous projects.
<p>No project with such a focus has been implemented.</p> <p>In the period 2007-2013 and 2014-2020, projects for support for the establishment and development of social enterprises were implemented under the Operational Program "Human Resources Development". The aim was to reduce poverty and the risk of social exclusion of vulnerable groups by supporting employment and professional integration in the social economy. Social enterprises, specialized enterprises and cooperatives of people with disabilities are supported through training, subsidized employment, improvement of capacity and human resources, equipment and adaptation of jobs. Activities for social</p>

<p>marketing and promotion of the social economy and social entrepreneurship have also been funded.</p> <p>This project proposal will build on what has been achieved and include social and solidarity economy enterprises in a value-added support network for the services it provides.</p>
<p>10.2 If similar projects are envisaged to be implemented under the Partnership Agreement programs, the centrally managed facilities of EU or the Just Transition Fund, outline the demarcation with this project.</p>
<p>Not applicable.</p> <p>The Human Resources Development Program 2021-2027 envisages activities to support enterprises of the social economy and development of social entrepreneurship, which will not overlap with those included in this project. Support will be provided with an emphasis on the employment of vulnerable groups in the labor market and the realization of the social role of enterprises.</p>
<p>11. Does the project directly contribute to the implementation of any of the Council's Specific Recommendations addressed to Bulgaria in the framework of the European Semester in the period 2017-2020? Please describe how.</p>
<p><i>Specific recommendations of the Council to Bulgaria for 2019</i></p> <p>Recommendation 4. Improve employability by strengthening skills, including digital skills. To increase the quality, relevance of the labor market and the inclusive nature of education and training, in particular for Roma and other disadvantaged groups.</p> <p>The implementation of the project activities is aimed at increasing the employability of disadvantaged groups, employed in the enterprises of the social and solidarity economy. This will be done by including them in a set of consulting, training, interactive, specific - according to specific needs - measures aimed at increasing their skills, capacity and expertise to participate in the market of labor. The implementation of the planned activities aims to increase the skills of the workforce (including disadvantaged people).</p> <p>The envisaged set of measures (services provided) will have a direct impact on raising the qualification and working capacity of employees, which combined with the coefficient of increased economic activity will have a direct impact on the long-term prospects of the economy at regional and national level.</p> <p>Project activities include training, professional development and support for the digitalization of work processes in the enterprises of social and solidarity economy, including social entrepreneurship. Particular attention is paid to specific measures related to social inclusion by improving access to training for representatives of the social and solidarity economy, leading to increasing their knowledge and skills in the field of digitalization, marketing, social innovation.</p> <p>Supporting the subjects of the social economy in the process of work by increasing the digital skills and digitalization of the work will lead to high added value of the products and services of the subjects of the social and solidarity economy, expanding the range of access to markets. This will lead to effective support for raising the minimum incomes most often received by people from the target group of the social and solidarity economy.</p>

Specific recommendations of the Council to Bulgaria for 2020

Recommendation 1. In accordance with the general derogation clause, take all necessary measures to deal effectively with the pandemic, sustain the economy and support the subsequent recovery.

In a pandemic, doing business with social purposes is severely limited. The establishment of focus points on the territory of the country to support and assist social enterprises will prevent economic bankruptcies, which may worsen as a result of interruption of their activities and the dismissal of staff in them, 95% of whom are the most vulnerable groups on the labor market, which is a prerequisite for serious social marginalization (the difficult life situation of employees from vulnerable groups will increase the degree of negative social consequences for them).

By supporting the creation of partnerships, networks and attracting experts with different expertise, incl. and from academia, the negative effects of the pandemic on the possibility of social inclusion of employees in the enterprises of the social and solidarity economy will be limited. supporting the creation of partnerships and attracting experts from academia will lead to increase their, employees in the enterprises of the social and solidarity economy, the knowledge of various aspects of the social and solidarity economy

This will support also the introduction of social innovations in production, as well as the digitalization of work processes in these enterprises.

Recommendation 2. Improve access to distance working and promote digital skills and equal access to education

Many social enterprises have hired people from vulnerable groups who are currently at risk (according to pandemic control restrictions), and it is very difficult to continue their activities, even in another regime (eg remote, distance); many of these people have serious disabilities and difficulties and it is either inappropriate for them to leave their homes at all, or adapting the work process is extremely difficult (including many of them with low social status, lack of appropriate equipment, etc.). Therefore, one of the specific objectives of the project is to create conditions for building networks, clusters in the social economy through improved know-how, digitalization and technological development of the subjects of the social and solidarity economy, including by increasing digital skills.

12. Does the project contribute to the implementation of a reform in a given sector? Please describe how.

The project activities will contribute to the modernization and reform of the social economy policy towards the development of its regional aspects including through legislative changes.

The project will support the use of the full potential of the social and solidarity economy sector, which is still underdeveloped in Bulgaria. The legislative framework for its functioning was adopted in 2018 (The Law on Enterprises of the Social and Solidarity Economy was adopted by the 44th National Assembly on 18.10.2018, in force since 05.2019)

The social and solidarity economy sector is a new sector in the economic structure of the Republic of Bulgaria and the creation of focus points in the six regions in the

country will support the establishment of local structures for information, technical, logistical and other support and provision of the sector.

On this basis, legislative changes are envisaged to reflect the regional aspects of the policy. At present, only the regulatory requirements for the registration of social enterprises class A + are a starting point for regional dimensions of policy, but they do not give a complete and complete picture of the state and challenges facing the subjects of social and solidarity economy in individual regions.

The legal framework provides for support from local structures on the ground, according to their capabilities, for the subjects of the social and solidarity economy, which could not be developed to the necessary extent without specially designed structures to serve the interests of the sector. Insufficient proved to be the conducted regional bazaars and explanatory campaigns, which remain sporadic and specific, incl. and time orientation. From the information shared locally during the campaigns and bazaars, it is identified as absolutely necessary to create such focus points - to support the growth of the sector by region.

The widely represented social economy working group at the Minister of Labor and Social Policy, will also play an active role in the policy reform activities. It includes the widest possible range of representatives of institutions and organizations from the public, private and civil sectors with diverse expertise. In this way, policy reform through the envisaged legislative changes will reflect public opinion and coherence. The aim is for the envisaged reform to reflect as much as possible the theoretical and practical knowledge gained so far, in order to make the most of the capacity of the social and solidarity economy sector.

Legislative changes are expected to:

- contribute to the decentralization of policy;
- contribute to the improvement of the economic and information environment and provision for the subjects of the social and solidarity economy by regions;
- contribute to better statistical awareness of the sector, by region;
- lead to the improvement of the economic and social situation of whole groups of people, part of the sector of the social and solidarity economy on the ground, resp. their standard of living.

Expectations for concrete results at sector level:

Through the digitalization of the work processes in the enterprises of the social and solidarity economy and the social enterprises, technological renewal and progress is carried out, which will increase their competitiveness and attract strategic partners and investors, both within the region and outside it.

Adequate support for employment and training of vulnerable groups will contribute to their integration into social enterprises, their inclusion in the conventional sector, and thus raising their living standards and the development of entire sectors of the economy in different regions.

On the other hand, digitization of work processes in the social and solidarity economy sector and digital training of the most vulnerable groups will give impetus to the much-needed support for access to markets and investment, production of

competitive goods and services and innovation throughout the sector. Also the transition to a green economy - environmental protection, circular economy, saving resources. Many of the activities, such as trainings, forums, meetings with civil society representatives, will contribute to changing society's attitude to existing social and environmental problems.

The activity of the focus points can be a prerequisite for reform in the whole sector of the social economy, which will affect the economic growth of various other sectors in the country's economy.

13. Does the project contribute to the development of any aspect of sustainable economic development? Please describe how.

The project contributes to the fulfillment of the following goals of the UN Sustainable Development Goals by 2030:

Objective 1: Eradicate poverty

The social and solidarity economy is directly aimed at disadvantaged groups in the labor market, providing them with access to employment and training, creating conditions for raising their standard of living and reducing social inequalities.

Objective. 8: Work and economic growth

The introduction in the production lines of technologies that improve the production processes and create conditions for higher productivity and lower energy consumption creates conditions for economic growth of the enterprise and full use of available resources; The creation of networks of enterprises for the production of one product creates an opportunity for the production of high value-added goods by many small enterprises, and thus make full use of available human resources and create conditions for the creation of a higher technological economy.

Objective. 13: Combating climate change

The introduction in the production process of technologies that are energy efficient and resource saving help to combat climate change.

Some of the subjects of the social and solidarity economy have ecological social goals, which is directly related to the fight against climate change, the implementation of the project helps the technical provision of these enterprises and their ability to direct their available resources to achieve their main social goal.

14. Does the project contribute to the implementation of the objectives of the National Development Program BULGARIA 2030? Please describe how.

This project corresponds to the set Priority 11 in the National Development Program Bulgaria 2030, as follows:

Priority 11

Area of impact 11.2. Social entrepreneurship and Corporate social responsibility

The project contributes to the development of the social and solidarity economy in the country. The establishment of focus points in the six regions of the country creates a network

of expert staff that will help the subjects of the social and solidarity economy to be competitive in order to participate fully within the single European market and generate economic and social added value.

Through the development of social entrepreneurship, efforts are aimed at creating jobs, reducing inequalities and increasing opportunities for social inclusion, especially for people from vulnerable groups. At the same time, people from vulnerable groups will come out from a state of long-term unemployment by joining the labor market, which is a direct contribution to meeting the priority objective, namely social inclusion.

The implementation of the project will help the subjects of the social and solidarity economy to reach a share of 3% of the gross domestic product (indicator set in the National Development Program Bulgaria 2030).

15. Does the project contribute to the implementation of the objectives and priorities set out in the Integrated National Energy and Climate Plan? If yes, please describe how.

Yes, it contributes. The enterprises of the social and solidarity economy are less energy-intensive and resource-intensive. With the introduction of innovative solutions for digitalization of production processes, energy consumption will be further reduced, which in turn will contribute to meeting Bulgaria's energy efficiency targets.

The project proposal is in line with and does not contradict the principles of DNSH, as it would not lead to harm to the environment.

Annex - Time schedule for project implementation

Activity 1:	Building of focus points																																			
	2021 begining October 2021				2022												2023												2024							
	Месеци																																			
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36
Stage 1: Identification of the places for positioning of focus points (Regional Center) in a specific regional city of the Planning Region (NUTS-2).																																				
Survey and identify stakeholders and the environment within each of the six areas of the planning region.	x	x																																		
Acquiring premises	x	x	x	x																																
Stage 2: Infrastructure rehabilitation and technical provision																																				
Purchase of hardware equipment for each focus point (Regional Center):	x	x	x	x	x	x	x	x																												
Purchase of specialized software for each focus point (Regional Center):	x	x	x	x	x	x	x	x																												
Purchase of office equipment for each focus point (Regional Center):		x	x	x	x	x																														
Purchase of smartphones, SIM cards with data transfer / traffic 35 months	x	x	x																																	

Stage 3: Providing of expert capacity																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																						
Hiring of personnel	x	x	x																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																			

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Stage 1: Creating a database of specialists																																				
Creating and updating a database of specialists, including academia, local business structures, local government specialists and others.				x	x								x	x											x	x							x	x		
Stage 2: Conducting consultations, trainings, initiatives and partnerships																																				
Conducting consultations for starting a social enterprise;				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Conducting consultations on financial instruments and digitalization of start-ups of the social and solidarity economy;				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Assisting the subjects of the social and solidarity economy in the preparation of documentation for providing financial resources in partnership with stakeholders;				x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Conducting trainings for representatives of the digitalized enterprises for work with the newly introduced digital tools.													x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x			
Marketing of products and services of enterprises, including through strategic partnerships								x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x
Consulting services for the specific										x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x	x

[illegible]

[illegible]