



## The D-WISE Network

### Case study for the National Federation of Employers of Disabled People, Bulgaria

#### “Empowering Possibilities: The Synergistic Partnership between NFEDP and governmental administration in Bulgaria”

### Introduction and background

The National Federation of Employers of Persons with Disabilities (NFEDP) of Bulgaria aims to aid in the development of sustainable specialized enterprises, as well as the sustainable employment of people with disabilities working in them. The work of the NFEDP is strongly facilitated by the positive cooperation between the association and the National Agency for the People with Disabilities of Bulgaria for more than 15 years. The fruit of the collaboration between the National Agency for People with Disabilities and the NFEDP is the **Methodology for financing targeted projects of specialized enterprises and cooperatives of people with disabilities**, which is the subject of this case study.

The work of the NFEDP is facilitated strongly by its cooperation with the Bulgarian governmental authorities, which enable it to coordinate funding, policy support and advocate for the rights of persons with disabilities in the labour market. In that regard, NFEDP’s unique working relationship with the Ministry of Labour and Social Policy needs to be highlighted: the Chairperson of the NFEDP is a regular member in the working group on social economy of the Minister of Labour and Social Policy since 2010. In addition, the NFEDP has a permanent and close cooperation with the Bulgarian Agency for People with Disabilities. The NFEDP actively contributes in the assessment of the methodology of the Agency for the public financing of the candidate specialized enterprises, and towards the stimulation of the employment of people with disabilities in a specialized work environment. By being involved in the work of the working groups of these bodies, NFEDP guarantees the interest of both employers of disabled people and employed persons with disabilities, giving opinions and recommendations on new measures to support the employment of people with disabilities, as well as other target groups such as unemployed persons with disabilities.

The emergence of the social economy in Bulgaria lacked a cohesive definition until the implementation of the Law on Social and Solidarity Economy Enterprises in May 2019. This legislation introduced the initial definition of legal entities within the social economy in Bulgaria. Its purpose is to foster the advancement of the social economy as a distinct economic sector with unique regulations, overseen by the Ministry of Labour and Social Policy. The ministry is tasked with providing methodological support, implementing national training programs, establishing a registry for social enterprises, and utilizing statistical data as instrumental tools to facilitate the growth of the

social economy in Bulgaria. This is further supported by the People with Disabilities Act of 2018,<sup>1</sup> which set specific hiring quotas for employers with regards to persons with disabilities.

## **Streamlining the financing for social economy actors through the Methodology for financing targeted projects of specialized enterprises and cooperatives of people with disabilities.**

The NFEDP played a pivotal role 15 years ago by advocating for the government to initiate programs that focus on specialized enterprises. By collaborating with the ministry, the NFEDP identified an instrument within the People with Disabilities Act that allowed for guaranteed public funding. They proposed two streams of funding, through which they receive the relevant funding. Those two streams, currently on-going, are:

- **Projects with a social focus:** These projects aim to support employers from a specialized work environment to ensure adequate working conditions for workers with permanent disabilities. Funded project activities are divided into five components. These projects receive funding of up to around EUR 25,000, for activities such as:
  - implementation of appropriate devices to facilitate the work of people with disabilities;
  - assuring architectural access to workplaces and other premises in the territory of specialized enterprises and cooperatives;
  - general hygienic environment and a healthy microclimate on the territory of specialized enterprises and cooperatives;
  - increasing the professional qualification of employees with permanent disabilities;
  - conditions for certification of specialized enterprises and cooperatives for introduction of standardized management systems.
- **Projects with an economic focus:** these are projects that aim to increase the competitiveness of specialized enterprises and cooperatives of people with permanent disabilities. These projects receive funding of up to 45,000 EUR, for activities such as:
  - technological renewal of machines and equipment;
  - introduction of new technologies;
  - re-equipment of existing and opening of new jobs for people with permanent disabilities.

The two types of projects are announced annually, at the beginning of the calendar year, ensuring 100% public support for the eligible measures. For projects with an economy focus, the past four years have seen a second tender announced, thus giving more enterprises the opportunity to receive financing for a quality project. Throughout this process, the NFEDP provides guidance and support to applicants with regards to their applications and their business planning. As a result, at least 30% of the projects financed by the Agency of People with Disabilities are members of the NFEDP. In terms of eligibility, Specialised Enterprises as defined by the Social Economy Law, meaning those **employing more than 30% of people with disabilities**, are eligible to apply for those two streams of funding. There is no limit on the economic activities supported by the methodology, or on the types of disabilities supported. The only requirement is for the company to be registered at the register of the National Agency, which means that they must be able to provide evidence that a minimum of 30% of employees are people with disabilities.

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<sup>1</sup> <https://www.mlsp.government.bg/uploads/38/khu/normativni-dokumenti/2019-zakon-za-horata-s-uvregdania.pdf>

This work developed across the years to become the Methodology for the Support of Specialised Enterprises, which serves as a framework for funding in accordance with the law. The NFEDP regularly provides data on the number of workers and enterprises supported, as well as the creation of new jobs.

In addition to the ongoing support, the NFEDP has three current on-going goals under the Methodology. Firstly, they are advocating for the allocation of more funding, and more rounds of allocation on an annual basis from the National Ministry. Secondly, the organization seeks to continue offering support to beneficiaries and potential candidates in developing strong projects and building the capacity to implement them. Lastly, they continue to monitor and disseminate the Methodology's results, gathering feedback to improve the initiatives and inform the work of the National Agency. Beyond those practices, the NFEDP also provides support to people with disabilities employed in the supported enterprises, in order to ensure the quality of employment, strengthening of competitiveness of the enterprises and the sustainability of progress. NFEDP experts are involved throughout the process, as consultants of potential candidates during the application and implementation processes. They are also responsible to monitor results as well as organize activities to showcase the enterprises and their best practices. All this is done in close collaboration with the Agency for Persons with Disabilities, which assists in the dissemination of the results.

In terms of timeline, the methodology has a continuous duration, as it is supported by a continuous stream of dedicated funding by the national governmental budget allocated to the National Agency. The NFEDP expects another call for proposals in 2023, with subsequent calls planned for March 2024 and beyond. With regards to practical operationalization of the methodology, any entity registered with the agency as a Specialized Company can receive the necessary funding, relying on public support.

Name	Methodology for financing targeted projects of specialized enterprises and cooperatives of people with disabilities under Article 49 of the Law on People with Disabilities
Objectives	Funding and stimulation of services for supported employment within enterprises, expanding the employment of people with disabilities with an emphasis on people with disabilities of working age not active in the labour market, creating more sustainable opportunities for entrepreneurship of people with disabilities and supporting the competitiveness of social and specialized enterprises. Through its position, the NFEDP also advocates for the introduction of economic incentives for social and special enterprises in Bulgarian legislation.
Activities/ Deliverables	The NFEDP runs, in collaboration with the National Agency for Persons with Disabilities, bi-annual calls for funding of social enterprises employing persons with disabilities.
Target group(s)	Employers of persons with disabilities.
Timeline	Financing schemes have been running for more than 15 years. Presently, the process runs on an annual basis, with the general programme announcement in January and the first call for funding in March, and a second call in late summer depending on funding availability. The projects financed usually run for approximately 5-6 months.
Location	The programmes are national in scope.
Main implementing	NFEDP, the National Agency for Persons with Disabilities.

organisation(s)	
Other organisation(s) involved	Applicant organisations that are registered with the Agency or under the Trade Act/Cooperatives Act.

## Sustainably funding new jobs for people with disabilities

The funding provided yields several positive outcomes. Firstly, it leads to the creation of new jobs for individuals with disabilities, offering them increased employment opportunities. Secondly, it helps in retaining existing jobs, ensuring stability for employees within specialized enterprises. Thirdly, it enhances the competitiveness of these enterprises, enabling them to operate more effectively in the market. The funding also facilitates the adaptation of jobs to accommodate the needs of individuals with disabilities. Moreover, it supports the development and implementation of new products and services by specialized enterprises, fostering innovation and growth. Lastly, the funding contributes to the improvement of working conditions, promoting a more inclusive and supportive work environment. All these results are annually presented at the European Forum of Social and Solidarity Economy Enterprises in Plovdiv by organizing an exhibition of goods and services of specialized enterprises.

In the past five years, the NFEDP, through collaborations such as this, has helped create 243 new jobs for people with disabilities in Bulgaria, and has helped 1765 workplaces with ensured or improved health and safety working conditions. The organization has helped technologically upgrade 75 specialised enterprises and cooperatives of disabled people. This is further supported by the Law on Persons with Disabilities, which warrants targeted support of social economy enterprises.

*“There is one very interesting enterprise with new activities being supported. Their municipal enterprises were established during the 1980s, and their activities are mostly production ones. But, as we all know, the last years were more focussed on services on the market. And that is why, for example, under this program, one of the municipal enterprises began to provide spa services in Sofia, which are very well accepted by the market and very successful.” Every year through this programme between 25 and 40 enterprises receive public support for business development.*

Eleonora Negulova, National Federation of Employers for Disabled Persons (NFEDP)

The funding provided is one of the largest sources of funding for social economy enterprises in Bulgaria. This has given birth to a multitude of newly established, innovative services for many companies, and has allowed for the improvement of the workplace and the quality of life for many people with disabilities in Bulgaria.

Drivers and success factors	Challenges and learning point
<ul style="list-style-type: none"> <li>The already-existing legal and policy framework, which allows for the legal protection and establishment of Specialized Enterprises and the allocation of guaranteed public funding.</li> <li>The status of the NFEDP as an established Federation representing multiple organisations has provided the organization with a unique positioning towards policymakers. This has enabled</li> </ul>	<ul style="list-style-type: none"> <li>The amount of funding allocated to the National Agency oftentimes imposes a limit on how many enterprises can be supported.</li> <li>The current regime of state aid (De Minimis Regime) imposes funding limits on cooperatives with more than 100 employees, which is an issue for the NFEDP Members, as many have already reached that threshold.</li> </ul>

<p>the organization to vocalise its needs and establish itself when advocating for funding and governmental support.</p> <ul style="list-style-type: none"> <li>• In addition, the established relationship with the National Agency for Persons with Disabilities allows the NFEDP to provide expertise, support and knowledge in the implementation of policies on a national and local level.</li> <li>• Most of the member organisations of the NFEDP are enterprises with production activities, who are oftentimes well-suited to respond to public tenders requiring specific products.</li> </ul>	<ul style="list-style-type: none"> <li>• Despite the efforts of the NFEDP during the years, subsidized salaries for people with disabilities in Specialised Enterprises are yet to be established by law.</li> <li>• Finally, the varying degrees of guidance required by different enterprises to commence their work requires dedicated team members that are familiar with the enterprises and the relevant sector.</li> </ul>
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**Recommendations to other organisations willing to establish working relationships with governmental authorities to support social enterprises of people with disabilities:**

- Familiarity with the specific businesses that are requiring support is essential. Being aware of the needs of SMEs on a local and national level is key in order to provide tailor-made solutions and support.
- Prioritise positive collaboration and communication with the National and local authorities responsible for funding initiatives (e.g. national disability agencies and public procurement authorities).
- Embrace digital communication and ways to promote visibility for the work of members and partners.
- Ensuring that successes are celebrated and vocalised just as much as the challenges is also key towards establishing a positive outlook on the overall work and attractiveness of the funding scheme, as well as of the organisation as a whole. It is integral to provide a clear message of the results of the work being undertaken, as it can constitute a motivating factor for members and other businesses, as well as for organisations of people with disabilities.

**Conclusion and outlook**

Throughout its established position in the public advocacy sphere, the NFEDP has been instrumental towards shining a light on the benefits and societal value of social enterprises. The organisation demonstrates key best practices in initiating collaboration with governmental instruments, and ensuring that they bear fruit to the benefit of the local social economy. While there are undeniable challenges faced by the social economy sector not only in Bulgaria, but across Europe nowadays, the NFEDP has ensured a positive collaboration which provides streamlined funding, ultimately benefiting people with disabilities entering the market.

**About the D-WISE Network**

Following a first encounter in Madrid in July 2017, in December 2018 Fundación ONCE promoted the launch of a **European Observatory for Inclusive Employment and SDGs** with the aim to raise awareness, to build an EU partnership and to conduct a study on the common characteristics and challenges of social economy organizations and companies employing a significant percentage of persons with disabilities in Europe. The project, initially co-financed by the European Social Fund in the framework of [Disability Hub Europe](#), was set up by a coalition of six organizations active in the

social economy sector employing persons with disabilities from across Europe. After two years of activity, the **European Observatory for Inclusive Employment and SDGs** is a consolidated project, which will operate as D-WISE Network. Our main objectives are to analyze how the social economy sector employing significant percentages of workers with disabilities effectively contribute to their labour and social inclusion in Europe, to examine the existing employment models for persons with disabilities in social economy and their alignment with the UN Convention on the Rights of Persons with Disabilities (UN CRPD), to explore policy needs and provide recommendations for decision-makers and to contribute to the UN 2030 Agenda for Sustainable Development and the Sustainable Development Goals (SDGs).

Our members are:

<p><b>National member organisations from Belgium, Bulgaria, Croatia, Finland, France, Spain, Romania, the Netherlands, Sweden and Slovenia.</b></p>	
<p><b>European network partners</b></p>	
<p><b>Observer organisations</b></p>	

**Methodology**

This case study is part of a series of ten - one for each national member organisations of the Observatory. The overall objective is to contribute to better understand how persons with disabilities actually access economic opportunities, while recognising the diverse legal forms and adopted approach towards employment of workers with disabilities taken throughout Europe. The data collection process was qualitative in nature and conducted by Weber Shandwick, acting as the Observatory Secretariat. It consisted of a brief document review and semi-structured interviews with the key contact persons involved. Each case study was drafted by Weber Shandwick and approved by the respective national member organisation before being publicly released.

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