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# United Nations Development Programme

## Active Labour Market Programmes 2

### **Annual Report**

January – December 2015

March, 2016

## Project Card

**Project Title:**

Active Labour Market Programmes 2

**Main Objective:**

Active Labour Market Programmes 2 (ALMP2) is a three year project, designed together with the Ministry of Labour and Social Welfare (MLSW), in line with the strategic priorities as outlined in the Sector Strategy 2014 – 2020 of the MLSW, and it’s Action Plan 2015 – 2017. The project is implemented together with the Ministry of Labour and Social Welfare as main project partners, and is financed by the Ministry for Foreign Affairs of Finland, the Ministry of Labour and Social Welfare (MLSW), the Ministry of Internal Affairs (MIA) and the United Nations Development Programme (UNDP). In the beginning of 2016, the Ministry of Internal Affairs has approved the second phase of the joint UNDP/MLSW project component on reintegration of repatriated persons, utilizing the collaboration platforms established by ALMP. Additional finances has also kindly been contributed by the British Government.

Through a comprehensive and scaled-up approach, the overall goal of the proposed intervention is to build-up on current UNDP achievements in addressing Kosovo’s labour market challenges, as well as to pave the way for long-term and sustainable local mechanisms that are capable to address such challenges on their own. The projects’ main objective is to improve the capacities of the labour market institutions to design relevant gender responsive policies at central level and to deliver integrated services at local level, focusing on the most vulnerable groups among the unemployed. The intervention during 2015 will strengthen and ensure the sustainability of the links between labour market actors - employers, job-seekers, policy-makers, public employment services and vocational training and educational institutions – through:

1. Improving the human resource capacities and provision of continued direct implementation of active labour market measures for vulnerable groups – with a particular focus on youth and women – and further technical support for the capacities of implementing institutions.
2. The enhancement of the labour market knowledge base in order to ensure evidence-based decision making among labour-market actors.
3. Through identifying feasible ways for Kosovo to establish an Employment Fund, in order to ensure sustainability in the financing and implementation of active employment measures.

<b>Expected Outputs</b>	<b>Indicator (s) /Baseline/ 2017 Targets/Status 2015</b>
1. Vulnerable youth across Kosovo – with a particular focus on women – receive integrated employment services	<p><u>Indicator 1:</u> % of unemployed youth benefiting from ALMPs  <u>Baseline 1:</u> 35% of unemployed youth (15-24 age group) benefit from almps (total beneficiaries in 2012 is 10,922)  <u>Target 1:</u> % youth (15-24) benefiting from almps is increased at least for 5%  <b>Status 2015: 48% of the almps beneficiaries are youth</b></p> <p><u>Indicator 2:</u> % of women benefiting from almps  <u>Baseline 2:</u> 30% of almps beneficiaries are women (2012)  <u>Target 2:</u> % women benefiting from almps is increased at least for 10%  <b>Status 2015: 44.4% of the beneficiaries are women</b></p> <p><u>Indicator 3:</u> % of almps beneficiaries from minority communities  <u>Baseline 3:</u> 10% of almps beneficiaries are from minority communities  <u>Target 3:</u> % almps beneficiaries from minorities is increased at least for 3%  <b>Status2015: 13.8% of beneficiaries are from minority communities</b></p>

	<p><u>New indicators 2016 – 2018 (reintegration phase2)</u></p> <p><u>Indicator 4:</u> Number of readmitted jobseekers benefiting from almps  <u>Baseline 4:</u> 527 readmitted benefited from almps (2012-2015)  <u>Target 4:</u> At least 910 readmitted persons benefit from almps</p> <p><u>Indicator 5:</u> % of readmitted women benefiting from almps  <u>Baseline 5:</u> 19% of almps beneficiaries are readmitted women (2012-2015)  <u>Target 5:</u> At least 25% of almp beneficiaries are readmitted women</p> <p><u>Indicator 6:</u> % of readmitted from non-majority communities benefiting from almps  <u>Baseline 6:</u> 35% of almps beneficiaries are readmitted from non-majority communities  <u>Target 6:</u> At least 40% of beneficiaries are readmitted non-majority communities</p>
2. Knowledge base on labour market is enhanced, leading to evidence-based, gender sensitive decision making.	<p><u>Indicator 1:</u> Number of policy analysis and briefs produced  <u>Baseline 1:</u> Limited number of policy analysis and briefs developed on the labour market supply and demand  <u>Target 1:</u> At least 6 policy analysis and briefs are produced  <b>Status2015: Two policy reports published</b></p>
3. Feasible modalities to establish an Employment Fund are developed	<p><u>Indicator 1:</u> Feasibility study is developed by Q3 2015  <u>Baseline 1:</u> There are no proposed modalities in place for establishment of an Employment Fund  <u>Target 1:</u> By Q4 2014, the feasibility study including proposed modalities implementable in Kosovo is developed and endorsed by the relevant institution  <b>Status2015: Not achieved/in progress</b></p>

**Start/end dates of the project:** March 2014 - December 2018

**Main Project Partner(s):** Ministry of Labour and Social Welfare (MLSW), Regional and Municipal Employment Offices, Vocational Training Centres (VTC), Ministry of Internal Affairs (MIA), Municipal Offices for Communities and Returns (MOCR), Municipalities, Private Sector Enterprises, Civil Society Organizations (CSO's), Ministry of Education, Science and Technology (MEST), Ministry of Trade and Industry (MTI), Kosovo Agency for Statistics (KAS), other labour market institutions, Regional Development Agencies (RDA), Business Associations (BA)

**Partner projects:** SDC-funded Enhancing Youth Employment project (EYE), EC-funded project Enhancing Employability for Vulnerable Groups (EEVG), World Bank projects, GIZ projects, Aligning Education with Labour Market Needs (ALLED) project, EC-funded KOSVET 6 project (finished) and others.

**Donor(s):**

Ministry for Foreign Affairs of Finland:	1,200,000 euro
Ministry of Labour and Social Welfare:	518,000 euro
Ministry of Internal Affairs:	837,689 euro
United Nations Development Programme:	312,500 euro
The Government of the United Kingdom	68,000 euro
<b>Total Project Budget:</b>	<b><u>2,936,189 euro</u></b>

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## **Acronyms**

ALLED	Aligning Education with Labour Market Needs project
ALMP	UNDP's Active Labour Market Programmes project
almp	Active labour market programmes
DLE	Department of Labour and Employment at the MLSW
EA	Employment Agency
EEVG	EC-funded Enhancing Employability for Vulnerable Groups project
EO	Employment Offices
EU	European Union
EMIS	Employment Management Information System
EYE	SDC-funded Enhancing Youth Employment project
HDR	Human Development Report
HR	Human Resources
ILO	International Labour Organization
ISCO	International Standard Classification of Occupations
ITF	Internal Training Framework
KAS	Kosovo Agency for Statistics
KBA	Kosovo Business Agency
MEST	Ministry of Education Science and Technology
MIA	Ministry of Internal Affairs
MLSW	Ministry of Labour and Social Welfare
MOCR	Municipal Offices for Communities and Returns
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization
RDA	Regional Development Agency
OG	Operational Guidelines
OJT	On-the-Job Training Programme
PES	Public Employment Services
PMF	Performance Management Framework
SDC	Swiss Development Cooperation
SEP	Self-Employment Programme
UNDP	United Nations Development Programme
UNV	United Nations Volunteers Office
WB	World Bank
WS	Wage Subsidy Programme

# Part A

## (Results Summary)

### (1.a) Executive Summary

Active Labour Market Programmes 2 project (ALMP2) is the second phase of UNDP’s employment programme implemented since 2005 in close cooperation with the Ministry of Labour and Social Welfare (MLSW). The project is fully in line with and contributes to strategic priorities of MLSW and addresses the key development challenge in Kosovo. The project’s main component, along with the institutional capacity development, is employment of young women and men, with 12,276 youth having been part of one of several active labour market programmes implemented in the last decade.

Active Labour Market Programmes	Number of beneficiaries	
	2005 - 2014	2015
On-the-job Training	3,861	284
The Wage Subsidy Programme	2,166	375
The Self-Employment Programme	0	43
Internship Scheme	1,175	
Public Works Project	3,194	
Professional Practice in Enterprise for VET students	1,138	
Training at Don Bosco	40	
<b>Total young women and men</b>	11,574	702
	<b><u>12,276</u></b>	

During the reporting period, ALMP2 together with its partners, has achieved the following results:

#### **Reform and Modernization of Public Employment Services**

- The Ministry of Labour and Social Welfare is able and has the tools to monitor in real time the performance of all its Public Employment Services’ staff and Employment Offices, against predefined qualitative and quantitative indicators and targets.
- The services of the Public Employment Services (PES) are standardized through a new service delivery model and profiling mechanisms for its jobseekers adopted by MLSW, which enable the PES staff to deliver more effective and higher quality services to its clients: jobseekers and employers.
- The MLSW PES staff have the capacity and the tools to implement different active labour market measures, such as the on-the-job training (OJT), internship (INT), the wage subsidy programme (WSP), and the newly activated Self-Employment Programme (SEP).
- The public relations concept and materials for the Employment Agency are adopted by MLSW.
- For the first time the MLSW has an Employment Policy document 2016-2018, which will guide and inform the work plan of the soon to be established Employment Agency.

- The employment offices (EO) under the regional employment office of Mitrovicë/a (south and north) are active and providing services and almps to their registered jobseekers and private sector companies.
- 38% more (31,500) unemployed choose PES to search for a job, receive different types of trainings or participate in almps (in comparison to 2014 that was only 12%)
- 12,474 new vacancies, including the vacancies announced due to the almp (2,264 vacancies), have been announced in PES by private sector companies, a 90% increase from the annual performance of 2014.

### **Skills development opportunities and job creation**

- **702 women and men** jobseekers have gained skills and found employment opportunities in private enterprises in the reporting year through different active labour market programmes, such as the on-the-job training (OJT), wage subsidy programme (WSP), and the self-employment programme (SEP). **42% of the beneficiaries are women.**

### **Enhanced knowledge base on labour market leading to evidence-based gender sensitive decision making**

- Labour Force Survey 2014 is launched by Kosovo Agency for Statistics, providing detailed information on the main labour market indicators in Kosovo. The report has been widely used by various research institutions and policy makers.
- Labour Force Survey team within KAS is able to prepare the database, indicators and report for LFS 2015, with less external technical support as a result of the training delivered to KAS team.

The implementation of the ALMP project has been based on and utilizing the best practices and lessons learned from the implementation of the first phase of the project. Thus, the majority of the institutional cooperation has been founded on the very successful partnership of the past ten years. Besides the main partner, the MLSW with its EOs and VTCs, the project has strengthened the partnership and collaboration with other partners: institutions, local and international organisations. The level of participation of NGOs has been extended to include them during each process of policy making and also for the purpose of reaching out to more vulnerable groups during the information campaigns for promoting the almps.

During 2015, women represented around 42% of the total number of the project beneficiaries which makes this project highly gender inclusive. As part of gender mainstreaming, in 2015 the project together with PES has started introducing quota also for the types of professions, trying to engage more women into the private companies operating in sectors with higher potential for growth. Provision of employment services to women jobseekers will be measured by the performance indicators introduced in PES for the first time.

Although the project aims are not designed to have an impact in the environment aspects, priority was given to supporting environmentally friendly companies, and companies that use clean technology resources, especially within the newly launched self-employment scheme.

In line with the UNDP Eight Point Agenda (SC 1325) point 6 (Ensure gender-responsive recovery) and in line with the UNDP Gender Equality Strategy Implementation, the project is ensuring provision of equal opportunities to men and women jobseekers and encouraging young disadvantaged women to undergo training and enhance their skills, hence increase their employment opportunities. ALMP2 also promotes gender equality and inclusion of marginalized groups throughout the activities.

## (1.b) Background information

During the 2012-2015, the Gross Domestic Products (GDP) of Kosovo has increased by a yearly average of 3% each year, while the GDP per capita by 2%. The private consumption had the biggest impact in this increase, which has been fed mainly by the remittances sent by migrants and the increase in the wages of the public sector. Considering the data of the Pension Fund and the Tax Administration, the increase in the GDP has been able to generate employment for around 11,500 persons each year. Considering that 52% of the young population enters into the labour market each year, the labour

market in Kosovo is able to provide employment opportunities to only 29% of them.

<b>Table 1: Kosovo Labour market data, by gender<sup>1</sup></b>	<b>LFS 2012</b>	<b>LFS 2013</b>	<b>LFS 2014</b>
<b>Unemployment rate</b>	30.9%	30.0%	35.3%
Men	28.1%	26.9%	33.1%
Women	40.0%	38.8%	41.6%
<b>Participation rate</b>	36.9%	40.5%	41.6%
Men	55.4%	60.2%	61.8%
Women	17.8%	21.1%	21.4%
<b>Employment rate</b>	25.6%	28.4%	26.9%
Men	39.9%	44%	41.3%
Women	10.7%	12.9%	12.5%
<b>Youth unemployment rate</b>	55.3%	55.9%	61.0%
Men	52.0%	50.4%	56.2%
Women	63.8%	68.4%	71.7%

The Labour Force Survey 2014 (LFS) showed that the main labour market indicators correspond to the challenges the labour market in Kosovo keeps facing (table 1). The unemployment rate in the last three years has been around 30-35% and has been on the rise, which is twice as high as the countries in the region, and four times higher than the average of the European Union. Similarly, the inactivity rate and the employment rate remains to be the lowest in the Western Balkans, 41.6% and 26.9%, respectively. The labour market indicators for women are especially low. The employment structure shows that 26.9% of the working age population was employed in 2014, around 323,000 persons. The biggest employer in Kosovo remains to be the service sector (69%), while the industry has only 11% of employment share.

On the other hand, this situation becomes even more worrisome when we consider that the number of readmitted persons is increasing, and only during 2015, about 17,000 persons were readmitted in Kosovo. Most

of the readmitted persons do not possess the skills and the experience needed in the labour market, which makes the integration in the labour market an even more complex process. According to the latest data, there has been an increase in the number of persons readmitted from the 22 countries with which the bilateral agreements are signed. Kosovo institutions are in the process of concluding additional agreements, thus, the number of readmitted persons in Kosovo is not expected to decrease. Reintegration of readmitted persons is one of the key milestones in the process of visa liberalization and EU integration process. The line Ministries are shifting the focus more and more towards sustainable reintegration of readmitted persons.

Amidst the challenges in the labour market in Kosovo, the PES staff was able to increase its performance during 2015. As aforementioned, the number of active registered job seekers with the PES has increased by 38%, which means that an additional 31,500 job seekers have chosen PES to search for a job, receive different types of trainings or participate in almp, and 12,474 new vacancies, have been announced in PES by private sector companies.

The MLSW has designed a strategic document 2014-2020 which focuses on improving the efficiency, availability and coverage of its public employment services. ALMP2 aims to support its implementation of this strategy specifically in its four main intervention areas, namely (1) supporting the labour market institutions develop and strengthen their capacities in policy-making, operational

<sup>1</sup> Labour Force Survey Reports 2013, 2014, 2015.



and business processes; (2) direct support to the job-seekers and private sector companies to increase the employability and job creation; (3) enhancing the quality and availability of reliable data to create the space for evidence based policy making; (4) and ensuring the sustainability of active labour market measures through feasible financing mechanisms.

The project contributes also to the main Finland's development priority areas, namely to i) a democratic and accountable society that promotes human rights, ii) an inclusive green economy that promotes employment and human development.

### **(1. c) Expected Results during 2016**

During 2016, ALMP2 will continue to support the MLSW to implement its Sectoral Strategy, with a focus on functionalization of the Employment Agency (EA). The finalized reforms accomplished during 2015, need to be institutionalized in the EA, thus ALMP2 will support the EA with technical assistance with the aim of improving its human and business processes. Further assistance will be provided to MLSW and other institutions in improving and upgrading their employment and labour management information systems. At the same time ALMP2 will continue to directly support the jobseekers with skills development and employment opportunities through the Wage Subsidy Programme, On-the-Job Training Programme and the Self-employment Programme. Additionally, various analytical reports will be published during 2016 including the Skills Assessment Report in the six selected sectors, the Human Development Report on Labour Market and Employment and the Labour Force Survey, the latter in collaboration with the World Bank.

On the other hand, ALMP2 will further expand its collaboration with the Ministry of Internal Affairs and other stakeholders in providing sustainable reintegration opportunities to repatriated persons in Kosovo through its Wage Subsidy and On-the-Job Training Programmes. Furthermore, ALMP2 will focus on increasing the awareness of repatriated persons on the available opportunities in Kosovo through various media campaign. Lastly, the project will support the Department for Reintegration of Repatriated Persons to improve its legislative framework in line with its Strategies and Action Plans at the national and local level.

For more information on the activities planned and the budget available for 2016, please refer to the Annual Work Plan.

# Part B

## (Detailed Progress Report)

### (2.a) Reporting on Project Progress

Output no.1: Vulnerable youth across Kosovo – with a particular focus on women - receive integrated employment services			
<i>Output Target (by 2017)</i>	<i>Baseline 2012</i>	<i>Explain the status of the Indicator</i>	<i>Means of Evaluation/ Verification</i>
<i>% youth (15-24) benefiting from almps is increased at least for 5%</i>	<i>35% of unemployed youth (15-24 age group) benefit from almps (total beneficiaries in 2012 is 10,922).</i>	<i>In 2015, 48% of the beneficiaries are young women and men.</i>	EMIS
<i>% women benefiting from almps is increased at least for 10%</i>	<i>30% of almps beneficiaries are women</i>	<i>In 2015, 44.4% of the beneficiaries are women.</i>	EMIS
<i>% almps beneficiaries from minorities is increased at least for 3%</i>	<i>10% of almps beneficiaries are from minority communities</i>	<i>In 2015, 13.8% of the beneficiaries are of ethnic minorities.</i>	EMIS

### **Reforming the Public Employment Services**

The Employment Offices (EO) and Vocational Training Centres (VTC) continued to strengthen their capacities through various interventions aiming at enhancing their performance by introducing models, mechanisms and approaches to improve the quality of services delivered by PES to its main clients: jobseekers and employers.

#### **1. Internal Training Framework**

The Internal Training Framework (ITF), developed for MLSW to ensure sustainable and continuous opportunities for capacity building for the ministry staff, has further advanced through the joint support of ALMP2 and the Swiss Development Cooperation-funded Enhancing Youth Employment (EYE) project. The standard training framework proposed for Public Employment Services (PES) Managers consists of: (1) a core-skills/competency training in the guidance and counselling approach to jobseekers and core skills in working with employers developed for advisors in order to understand the work of the advisers/counsellors and information officers, and (2) a core Management Development Programme. The framework was delivered through training of trainers and an e-learning system; and will be administered by the Human Resources (HR) unit within the Employment Agency (EA) through an HR manual. In line with the model proposed, the EYE project has developed four learning courses, the e-learning system, and the HR manual.

Once this reform starts to be fully operational, linked to the performance management framework (described below) and administered by the HR unit of the EA, it will give the EA the opportunity to manage the training opportunities of its staff according to the individual performance/needs of each. At the same time, this learning platform will ensure that all the training completed by each individual staff member is recorded and becomes part of the individual training history/staff development.

## 2. Integrated Service Delivery and Client Profiling

In line with the integrated service delivery model, the PES are to profile the clients they serve. ALMP laid out the models which are currently used in the EU countries and the countries of the region. Profiling of the clients can bring many benefits for the PES services, for example, better distribution of resources, effective delivery of services and also budget savings. Three types of profiling models were outlined, as well as two combined models which are currently used, namely: (1) profiling based on the counsellor; (2) soft profiling; (3) profiling based on administrative rules; (4) profiling which combines the profiling based on the counsellor and statistical profiling; (5) statistical profiling. The model to be utilized in Kosovo is the profiling based on the counsellors' decision.

The integrated service delivery model introduced and used in PES since 2012 was analysed with the support of the project, and the assessment report of the current service delivery model showed that the integrated services were not delivered in a standard way in all employment offices and by all employment counsellors. Additionally, the need to integrate the new products of the current reforms of PES into this model was highlighted, i.e. the multi-channelling services, the responsibilities the counsellors in accordance to the manuals developed for the implementation of the active labour market programmes (almp), etc. Finally, it was noted that not all the types of services were delivered in all the employment offices, except the ones that are required to be registered in the Employment Management Information System (EMIS).

The MLSW agreed to standardise its service delivery model by producing a manual which laid out the methodology through which each service is delivered according to the needs of the jobseekers and employers. An operational manual was developed which provides the key indicators used to profile the jobseekers and employers and the services which ought to be provided to them. All the employment counsellors will be trained according to the manual, and they will be equipped with all the tools to implement the services in a standardized manner.

## 3. Performance Management Framework

The Performance Management Framework (PMF) was integrated into the EMIS, based on the model proposed by the EYE project, and endorsed by the MLSW. The PMF allows the performance of PES to be monitored and evaluated at the counsellor, EO and national level in real time. During the first half of 2015, the PMF was tested in three municipalities, Prishtinë/Priština, Obiliq/Obilič and Graçanicë/Gračanica. The PMF is installed and in use in all the EO around Kosovo. The information collected during 2015 was used to develop the performance targets that the EOs and the EA are using in 2016.



On 25<sup>th</sup> of June, findings from the implementation of the PMF system in the pilot municipalities were presented during a round table held with the representatives of MLSW.

## 4. Adopting the International Standard Classification of Occupations

As a response to a request by MLSW and MEST, the project has extended support to adapt the International Standard Classification of Occupations ISCO 08 of ILO. The classification of professions in

Kosovo is a necessary standard, used to register, collect, analyse, distribute and demonstrate the situation and changes in the labour market in Kosovo. This standard was adopted in Kosovo in 2006 and was based on the International Standard Classification of Occupations ISCO 88. The classification of professions has been used over the last years to collect data on the structure of professions, job vacancies, unemployment and employment; to analyse labour force changes through the labour force survey; and also to develop new curricula. Given that this classification was adopted in 2006, it does not reflect all the changes that have occurred over the last years in the labour market. Additionally, International Labour Organization has also adopted a new international standard, the ISCO 08.

The Ministry of Labour and Social Welfare and the Ministry of Education, Science and Technology have identified that the classification of professions used in Kosovo needs to be updated based on ISCO 08 standards, and the changes in the labour market in Kosovo. Thus, the Socio-Economic Council has established a working group to draft the classification of professions in Kosovo according to the International Standard Classification of Occupations, 2008 (ISCO 08). The working group is composed of Ministry of Labour and Social Welfare (MLSW), the Ministry of Education, Science and Technology (MEST), the Office of the Prime Minister (OPM), the Ministry of Trade and Industry (MTI), Kosovo Agency for Statistics (KAS), the Ministry of Finance (MoF), social partners, private employment services, and others. Drafting the new classification of professions according to ISCO 08 is part of the sector strategy of MLSW 2014-2016 and the MEST Strategy on Career Guidance.

#### 5. Self-Employment Programme - operational and implementation process

A total of 56 employment counsellors in 15 EOs, trainers of three Vocational Training Centres (VTC), and representatives of the Department of Labour and Employment (DLE) at MLSW advanced their capacities on how to deliver, monitor and evaluate the Self Employment Programme (SEP). According to the Operational Guidelines (OGs) for the implementation of SEP, the employment counsellors collect the business idea applications and advise registered unemployed interested to apply to the scheme. Later, they evaluate the presentation and quality of the business ideas, and, finally, after the grant disbursement, they monitor the newly established companies in the field. On the other hand, the VTC trainers guide the selected candidates with the best ideas to develop their business plans. The DLE will be responsible for the overall monitoring of the programme. Each employment counsellor and trainer has been equipped with all the required documentation and forms needed during the process. Such an approach has been introduced for the first time in the PES.

#### 6. Aid effectiveness and coordination

In order to ensure aid effectiveness and coordination, ALMP2 has advocated to organise regular technical coordination meetings under the lead of the MLSW DLE. During January 2015, the DLE held the first joint meeting of the projects supporting the MLSW in its employment and labour policies. The first meeting was guided by the common annual work plan prepared by and agreed upon among all the members of the group. At the moment, the meetings are not held regularly, as the responsibility to coordinate the organizations and projects has been assigned to the cabinet of the Minister. These meetings are organized on ad-hoc basis, whenever the cabinet finds out that two or more projects are working on the same field. It has been strongly recommended to the cabinet and the DLE that this responsibility is assigned to the EA, once it is established and functional.

### **Skills development opportunities and job creation: implementing almps and employment services by PES**

During 2015, ALMP2 in collaboration with the EOs, the VTC and the private sector implemented three types of almps: the on-the-job training programme, the wage subsidy programme and the Self-Employment Programme. The implementation process of each almp is guided by approved operational guidelines. At the same time, each programme has its own promotional material, which has been widely disseminated through local and central level public event and media coverage.

The strong collaboration among different organizations with the MLSW and other labour market institutions working on strengthening and improving the employment and labour policy making and implementation has had a very big impact in the number of clients who choose to use the PES in Kosovo. The PES has increased its performance in supporting the jobseekers find employment and training opportunities through their services. 6,706 vacancies were intermediated through the employment counsellors, which is a 43.6% increase compared to 2014. At the same time, compared to vacancies announced, only 17.6% of them were able to be intermediated, and only 5.8% of the registered jobseekers were able to find employment through PES. Table 2 provides an overview of these indicators at the regional level.

At the same time, inclusion of the partners in each process and at different stages of them has allowed for stronger ownership of results. For example, the employment counsellors are using the EMIS, and this also has helped to have a better quality of the administrative data collected by PES. However, in order for the

Table 2	2015 job intermediation	% increase from 2014	% of all registered unemployed for whom a job was intermediated	no of intermediated jobs per one counsellor
Prishtinë/Priština	1,569	81%	6%	74
Mitrovicë/a	593	70%	4%	51
Pejë/Peć	786	12%	7%	66
Gjakovë/Đakovica	837	26%	7%	70
Prizren	1,101	34%	5%	124
Ferizaj/Uroševac	431	40%	3%	46
Gjilan/Gnjilane	1,115	38%	8%	86
<b>Total</b>	<b>6,432</b>	<b>43%</b>	<b>6%</b>	<b>73</b>

results to be institutionalized, the MLSW needs to functionalize the EA. There are several products, like the ITF with its course content, e-learning tool, HR manual; the PMF, the multi-channelling services etc., which will be fully operational only once the EA is fully established and functional. Apart from these services, the EO around Kosovo were able to successfully implement various almp, including the On-the-Job training Programme, the Wage Subsidy Programme and the newly established Self-Employment Programme.

### 1. On-the-job training Programme

**What is OJT?** It is a three months training programme, guided by an individual plan agreed upon between the job-seeker and the private company; monitored by the trainers of VTC and implemented by the employment counsellors with the support of ALMP team throughout the process.

The EOs have continued to provide employment counselling and mediation services to jobseekers. The project team has supported the counsellors in the EOs and the representatives of the VTCs at every stage of the implementation of the almps, to ensure their implementation according to the procedures outlined in the manuals, using the specific forms, especially for the newly launched self-employment programme, and inclusion of the wage subsidy programme in the ALMP2.

During the reporting period, **284 young women and men jobseekers** gained and developed their skills at the workplace, through the collaboration established with **237 private businesses** throughout Kosovo. If broken down by demographics, the beneficiaries group is:

- 46% were women;
- 84% were less than 29 years old, and 64% were less than 24 years old;
- 39% were living in rural areas,

- 22% were from non-majority communities, while 8% were of Roma, Ashkali or Egyptian minority;
- 34% of the youth who participated in OJT were living in families with no income;
- 57% had only attained primary education or had no education;
- 13% of the jobseekers who benefited from the OJT programme were readmitted different countries, mainly from Germany 38%, 15% from Sweden, 17% from Belgium, and the remaining 30% from Austria, Denmark, Sweden, Finland, Bosnia and Hercegovina, Switzerland, France and Norway;
- Only 6% of the beneficiaries withdrew from the programme.

As part of the successful collaboration with the employment offices and vocational training centres around Kosovo, during 2015 the EOs and VTC operating in the northern-most municipalities of Kosovo participated in the implementation of the OJT scheme. In order to pilot the programme, as well as to train the counsellors of the EOs, six jobseekers joined the OJT scheme. An adopted approach of the implementation process of the OJT is being utilized by the UN Joint Programme on Domestic Violence in Kosovo, to support the economic reintegration of survivors of gender-based violence in the northern-most municipalities of Kosovo.

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"Learning the craft at the workplace can lead to sustainable employment. I am very happy with the profession I have learned and I will continue to work here," says Bojan.

Read more about the support provided in the northern most municipalities of Kosovo at:  
<http://www.ks.undp.org/content/kosovo/en/home/presscenter/articles/2015/07/24/unemployment-is-a-major-obstacle-to-development-and-.html>

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## 2. The Wage Subsidy Programme

**What is WSP?** The aim of the WSP is to create employment opportunities for job-seekers in Kosovo by subsidizing employers who are willing to hire them on a long-term basis. It is a unique opportunity to support gradual growth of Kosovo enterprises. In order to benefit from the WSP, the employer needs to sign a 12 months employment contract with the employee, in line with the labour laws in force. The employer benefits a 50% subsidy of the employees' wage. The amount of this subsidy may not be higher than the minimum wage in Kosovo per month. The Employment Offices support the companies in identifying the best candidates registered as jobseekers, according to the specific needs of the employers.

The MLSW and the United Nations Development Programme (UNDP) signed a Memorandum of Understanding (MoU) to jointly implement the "wage subsidy scheme", a component of ALMP focused on enhancing livelihoods through the provision of employment opportunities to disadvantaged jobseekers in Kosovo. The activities of the project component are in line with the Employment and Social Welfare Strategy 2014-2020 of the MLSW.

The programme was launched through a public event with the participation of UNDP, Embassy of Finland, and MLSW, and was followed by information sessions held in the majority of municipalities around Kosovo. The deadline for receiving vacancies from the private companies was on the 31st of July 2015. A total of 1,102 vacancies from 328 companies, were announced in PES during July-August 2015.

With the financial support of MLSW and UNDP, the WSP allowed 364 jobseekers to get a job:

- 44% were women;
- 61.5% were less than 29 years old, and 38.7% were less than 24 years old;
- 48% were living in rural areas,
- 10% were from non-majority communities or jobseekers with disabilities;



- 29% of the youth who participated in WSP were living in families with no income;
- 40% had only attained primary education or had no education;
- 24.4% of the jobseekers who benefited from the WSP programme were readmitted different countries, mainly from Germany 71%, 12% from Sweden, Belgium, and France and the remaining 17% from Austria, Denmark, Finland, Bosnia and Hercegovina, Switzerland, France and Norway;
- Only 2 beneficiaries withdrew from the programme.

### 3. The Self-Employment Programme

**What is SEP?** Provision of start-up grants, training and mentorship to young jobseekers through a competitive process of selecting the best business ideas, implemented by the EOs and VTCs with the support of the ALMP team, in line with the economic development priorities set by the MTI.



The map shows the location of the first beneficiaries of SEP around Kosovo.

Read more about the process:

<http://www.eurasia.undp.org/content/rbec/en/home/press-center/articles/2015/8/7/i-want-to-build-my-future--self-employment-in-kosovo.html>

A new operational manual was drafted for and endorsed by MLSW to guide the overall implementation of the Self-Employment Programme (SEP) as a new ALMP to address the high unemployment rates among young people in Kosovo. The manual draws from the international expertise and lessons learned by UNDP in several countries and was adopted to the Kosovo context through several workshops with the relevant stakeholders in the field of private sector development and labour market. During the process, several institutions were brought together, to mention a few: the Ministry of Trade and Industry, several business associations, private enterprises, as well as several experts in Kosovo specialized in the field.

For the pilot phase of the implementation of SEP, two main criteria were set:

1. The sectors supported by SEP during its piloting phase were in line with the priorities set by the MTI. Thus, business ideas in the sectors of food processing and packaging, metal processing, wood processing, textile, information and communication technology, and tourism were accepted.
2. Jobseekers registered in employment offices within the regions of Prishtinë/Priština, Prizren and Gjilan/Gnjilane were eligible to apply. The regions were selected based on the number of registered unemployed, especially among the vulnerable groups, areas where the priority sectors were growing, and based on availability and variety of start-up business support organizations.

#### **Results of the SEP 2015**

- 273 jobseekers applied with a business idea to their respective EO;
- 133 selected candidates participated in the "Start your business" training provided by VTCs;
- 43 new businesses have been established;
- 226,322 euros provided as start-up grant;
- 450 mentoring hours provided;
- 75 new jobs created.

Read more about the procedures of SEP implementation at: <https://mpms.rks.gov.net/Portals/0/ShpalljePublikime/Programi%20i%20vetepunesimit.zip>

The SEP was promoted through an official launch and information sessions organized in each participating municipality through the EOs and other partner civil society organizations. Each activity within the information campaign has received wide media coverage within Kosovo. Brochures were printed, **including in Braille**

**alphabet for visually impaired people**, which included information about the procedures of application. The table above contains more details on the number of job-seekers who participated and partners involved in each stage of the process to date. Each business plan, qualified to receive the grant and the mentorship, underwent a verification process. A project database has been developed to support the monitoring and evaluation process of the SEP.

At the end of the selection process 43 jobseekers were awarded with grants and mentoring services. In accordance to the semi-annual targets set for each start up, 89% of the budget disbursed has been spent and in total the candidates have co-financed a 25% of the grant to establish the businesses. Around 450 mentoring hours were provided to the newly established businesses. Around 45% of the companies have starting producing their products and have already made the first sales. Currently, information is being collected pertaining the turnover of the companies during their first six months of operation. The companies will continue to be monitored during 2016. Please refer to the brochure produced by ALMP2 for some of the more distinguished entrepreneurs of the Self-Employment Programme 2015.

Based on the assessments done during the monitoring visits and the mentors, there have been two elements that have defined the success of a start-up. The best performing businesses have been the ones that are run by someone who rather than being a good manager, is working directly in the profession. The beneficiaries have attained it either through formal or informal education, have previously worked in a similar work or have inherited it as a family tradition. The latter is particularly important for professions such as bakers or metalsmiths. Secondly, it is crucial that the start-up are run by people who have entrepreneurship skills. This is skills is particularly important in finding the clients, advertising the products etc. Further assessment of the successes and the challenges of the SEP will be produced in 2016.

<b>Output no. 2: Enhanced knowledge base on labour market leading to evidence-based gender sensitive decision making</b>			
<b>Output Target (by 2017)</b>	<b>Baselines</b>	<b>Explain the status of the Indicator</b>	<b>Means of Evaluation/ Verification</b>
At least 6 policy analysis and briefs are produced	Baselines 2014: Limited number of policy analysis and briefs developed on the labour market supply and demand	Two reports have been published until 2015.	Progress reports World Bank and KAS website

The Kosovo Agency of Statistics (KAS) conducted a Labour Force Survey (LFS) annually from 2001 through 2009. It was subsequently suspended due to budget constraints. With financial support and technical assistance from the United Kingdom’s Department for International Development (DFID), KAS initiated a new LFS cycle in January 2012. At the same time, it attempted to implement relevant international recommendations on labour market statistics published by the International Labour Organization (ILO) and Eurostat. In this respect, KAS undertook to move to continuous data collection with quarterly reporting (as opposed to the previous annual survey), the introduction of a longitudinal (panel) component, and the adoption of computer-assisted personal interviewing (CAPI) to improve data quality and accelerate processing.



In late 2011, the Government of Kosovo approved a new Law on Official Statistics. Among other things, the law moved KAS from the Ministry of Public Administration to the Office of the Prime Minister, which is expected to result in more reliable and predictable budget allocations for KAS. With the closure of the DFID Kosovo office in November 2012, the World Bank has taken over the supervision of the LFS modernization project until 31 March 2013. At the request of KAS, UNDP provided support to complete data collection for the Labour Force Survey until the end of 2012. UNDP has also facilitated a set of improvements in the Information Technology (IT) department KAS to enhance capacities to collect and analyse data on remittances. Starting from 2015, Kosovo Agency for Statistics has committed its own budget for data collection, which was a step forward to providing better labour market data in a continuous and systematic manner.

ALMP and the World Bank have jointly supported KAS also in 2015 in ensuring high quality of analysis of data collected. ALMP supported LFS team within KAS to clean the quarterly data collected, prepare the LFS database with all its derivatives and variables and prepare tables with the standard ILO labour market indicators. LFS team has been involved in each process, also receiving training on how to prepare these in the future. The contracted expert has also provided hands-on training in preparing the quarterly analysis for the data collected during Q1 2015. The LFS 2015 report was published and has been widely used by local newspapers and researchers. A very innovative presentation of the data collected was prepared by the NGO Open Data Kosovo, which used all the published LFS reports to demonstrate changes in the indicators. For more information please visit: <http://opendatakosovo.org/blog/women-in-the-workplace-working-hard-for-the-money/>

Currently there is no regular employer skills survey, which would inform education and training providers in designing curricula to best match employers' needs. Based on European Employer Skills Survey and in close consultations with experts, UNDP has developed a methodology for Employer Skills Survey for the six selected economic sectors (wood processing, food processing and packaging, tourism, textile, IT-BPO (Business Process Outsourcing and Customer Support Centres), and metal processing). Given that in all government strategies and programs human capital is considered as key for economic and social development, the aim is that the Employer Skills Survey becomes a regular survey the Kosovo Agency of Statistics. The methodology will be piloted with these six sectors. For the implementation of this activity, ALMP has collaborated with the Diaspora Engagement for Economic Development (DEED) project which is implemented jointly by UNDP and IOM, and the ALLED project.



Workshop held on the 27<sup>th</sup> of May 2015 to discuss the methodology to be used in the survey with private sector companies operating in the selected sectors.

The primary aim of the employer survey on skill needs is to analyse the importance of changes for both generic and specific skills in chosen sectors and selected occupations. Information was collected during November-December 2015 collected include newly-emerging tasks and on drivers of change in the workplace, such as innovation and adaptation to environmental regulations. The questionnaire includes questions related to the preparedness of the workforce to meet new requirements by the employers together as well as the policies adopted by firms to address these areas of concern. The findings aim to inform future development of education and training curricula by the Ministry of Education Science and Technology (MEST) and the Ministry of Labour and Social Welfare (MLSW). At the same time, the findings will inform the process of designing the new nomenclature of profession of the selected occupations of this research.

KAS collects data on education attainment of individuals through LFS but it does not collect data on skill gaps and needs from the employers' point of view. Given that KAS is the institution in charge of providing statistics and that providing adequate skills is considered to be of central importance for

Kosovo development the proposal is that in the future the Agency should attempt to undertake skills needs survey. According to the analysis commissioned by ALMP, it was concluded that the methodology prepared for the Employer Skills Survey can be easily implemented by KAS and valuable information can be provided for policy making. Another positive aspect of KAS is that it does possess a Business Register which contains all needed information for survey sampling.

The Human Development Report is a flagship report of UNDP globally, the analysis of which is widely used by researchers and research institutions in Kosovo, the focus of this activity shifted to producing an HDR on the main labour market challenges in Kosovo, identified through the LFS 2015. The latest LFS highlighted that the main employment indicators remain unpromising. The unemployment rate continues to be above 30%, having a higher impact on young women and men (61%). The same data show that long-term unemployment and inactivity rates remain very high. Thus, this report will focus on digging deeper into the causes of negative indicators in the labour market (according to the LFS), such as the long-term unemployment, the large group of Not in Employment, Education or Training (NEETs), the high inactivity rate and youth unemployment based on the datasets available.

The purpose of the output is to ensure the production of detailed, good quality and relevant insights on the labour market in Kosovo that would enable labour market agents to make informed and evidence-based decisions. Currently, neither KAS nor the MLSW have sufficient financial and technical capacities to ensure the quality of existing data collection systems, especially their analytical components. Similarly, the Labour Market Information System (LMIS) that has already been established within MLSW (through UNDP’s support), and which will be technically sustainable due to maintenance by a private contractor, will require further technical assistance to ensure that MLSW can use the collected data to produce solid analytical insights. Similarly, existing initiatives for the production of skills-needs surveys need to be turned into periodic and qualitative exercises. A critical component in advancing the agenda on labour market policy will be the inclusion and contribution of local think tanks and institutes as well as the dissemination of knowledge to relevant labour market agents. That is why it is important to increase the scope of engagement with stakeholders by holding regular public discussions on all of the findings related to the labour market.

Having timely and reliable labour market data as a key input into the advancement of evidence-based employment and social policy in Kosovo is of great importance and complements the work that UNDP is doing on labour market issues with the Ministry of Labour and Social Welfare and the employment offices, including the labour market information and other statistics such as social assistance, remittances, etc.

<b>Output no. 3: Feasible modalities to establish an Employment Fund are developed</b>			
<b>Output Target (by 2017)</b>	<b>Indicator status</b>	<b>Explain the status of the Indicator</b>	<b>Means of Evaluation/ Verification</b>
The feasibility study including proposed modalities implementable in Kosovo is developed and endorsed by the relevant institution	Baseline 2014: There are no proposed modalities in place for establishment of an Employment Fund	No feasibility study conducted, as the EA has yet to be functionalized.	Progress reports

The implementation of the almps in Kosovo is donor driven – the majority of training and employment measures implemented to date are financed and implemented through the support of donors and international agencies. The feasibility study would look at the most suitable and

applicable model for establishment of the Employment Fund to finance such active labour market interventions in the Kosovo context, taking into consideration the financial implications for the government, private sector, etc. The feasibility study cannot be initiated before the EA has been established and is functional. Therefore, associated activities are yet to be commenced. The stakeholders for the implementation of this activity are the Office of the Prime Minister, the MLSW, the Ministry of Finance and other financing institutions, which will be identified during the feasibility study. In order to the Employment Fund to be established, the EA needs to be functional, operational and have its own budget code.

## **(2.b) Partnerships, Gender Mainstreaming, Governance and Environment**

- ***Partnerships of ALMP2***

The results of the activities of ALMP2 during 2015 were achieved in the close collaboration with all the partners involved. The main partners has been the Ministry of Labour and Social Welfare, the department of labour and employment and its Employment Offices and Vocational Training Centres. The project has collaborated also with the Division for Social Welfare, when beneficiaries of social assistance category 2 have participated in different types of almp. At the same time, for the component of reintegration of repatriated persons, the project has collaboration with the Ministry of Internal Affairs, the Department for Reintegration of Repatriated Persons, the Municipal Offices of Communities and Returns. For the implementation of the almps, the partnership with the private sector companies have been crucial. During this year, the project has partnered with more than 500 private companies around Kosovo, operating in different economic sectors.

When policy development has been supported, the process has been entirely guided by the inputs of the final beneficiaries, i.e. the DLE at MLSW and the staff of EOs and VTCs. Workshops have been organized before, during and after the finalization of the process, and the content has received major inputs from the experience of the staff in the field.

In regards to information campaigns and dissemination, the project has strengthened existing partnerships and built new partnerships. The project has strengthened the collaboration between EOs and NGOs working on protecting or/and serving the rights of people with disabilities (The Forum of People with Disabilities and its member organizations), minority ethnic communities (Balkan Sunflowers), women (Kosovo Women's Network and its member organizations), etc. New partnerships have been built with RDAs in the north and east regions, and KBAs around Kosovo. These new partners have supported the information campaigns for the WS Programme, considering that they have a large number of companies registered, providing the space and informing their network members. At the same time, the municipal directorates for economic development and chambers of commerce have disseminated the information to their members.

The project worked closely with other international organizations or partners of MLSW working in similar activities. The finalization of a common work plan has supported each project to have a clear understanding of the work that the others are doing or are planning to do, reducing overlaps and maximizing impact. Thus, the functionalization of the PMF and the ITF has been done in close coordination with the SDC-funded EYE project. Furthermore, the EC-funded Enhancing Employability for Vulnerable Groups project has been supported to train the employment counsellors on monitoring the impact and implementation of almps.

For the analytical work of the project, the main stakeholder and partner for this output has been the KAS. They have been involved in each of the researches that are currently conducted by the project, since the initiation phase of it. For the LFS, the project has coordinated its activities with the World Bank and in order to avoid overlap of the technical support. At the same time, further support has been provided to LFS to ensure that the quality of the report remains the same also after the technical

support of the project and the World Bank. For the skills needs survey, the private sector companies have been involved to inform the occupations that will be researched in each selected economic sector.

- **Governance**

ALMP2 has direct impact and has contributed to the strengthened capacities and improved governance at the local and central level institutions. One of the key successes of the project during the reporting period is the engagement of relevant staff from different ministries and institutions in Kosovo, working together in the process of policy making and improved employability of Kosovo citizens. All capacity building activities are also coordinated and implemented closely with other projects in the area of employment generation, both within UNDP as well as other International Organisations. Such examples are the joint work done with World Bank, SDC, IOM, EU, GIZ etc.

Besides the main partner, the MLSW with its EOs and VTCs, the project has strengthened the partnership and collaboration with and Ministry of Trade and Industry, Ministry of Education, Science and Technology, the National Agency for Qualifications, the Municipal Directorates for Economic Development, Kosovo Chamber of Commerce, American Chamber of Commerce, German Chamber of Commerce and Kosovo Alliance of Businesses, research Institutions and others. The participation of private sector associations have been key in disseminating the information to reach a broader audience of beneficiaries, and to also provide their help to evaluate business plans within the Self-Employment Programme. For the latter, a total of 23 individual experts are now members of the Network of Experts, established by the project, to evaluate the business plans on a volunteer basis. The level of participation of NGOs has been extended to include them during each process of policy making and also for the purpose of reaching out to more vulnerable groups during the information campaigns for promoting the almps. In cooperation with Disability Forum of Kosovo, Kosova Women's Network and their member organizations, and Balkan Sunflowers, additional campaigns were organized, specifically for more vulnerable communities, who face more obstacles towards integration in the labour market, offering special tools and resources to support their integration.

- **Gender**

The project has continued to use quota as a form of increasing the inclusion of women in the almps and also other project activities. During the reporting period, women represent around 42% of the total number of the project beneficiaries. As part of gender mainstreaming, during 2015 the project together with PES has started introducing quota also for the types of professions, trying to engage more women into the private companies operating in sectors with higher potential for growth. However, this remains a challenge and requires additional support from VTCs to offer to women trainings in courses which are considered not traditional to them.

Employment scheme for the repatriated person is one of our schemes which have a lower participation of women, attributed to the family and cultural settings of the women candidates. Nevertheless, even at the level of repatriated persons, a positive change in participation has been noticed in the younger generations, who, although, with no previous job experience, represent nearly 50% of the beneficiaries of this scheme.



During our information campaigns, people with visual impairment had access to information through materials printed in Braille.

- **Environment**

The project has overall been neutral to environment, as environmental topics are not among the aims of the project. However, priority was given to supporting environmentally friendly companies, and companies that use clean technology resources, especially within the newly launched self-employment scheme. Due to the still rather high cost of these type of solutions, not many such enterprises could be launched at the first cycle of the SEP. Use of local resources and recycled materials were, on the other hand, used in all of the project activities.

## **(2c) Challenges and Lessons learned**

### **Challenges**

- **Reintegration of repatriated persons**

During the reporting period, a total of **121 (84% of the target achieved) readmitted people** have been part of the on-the-job training programmes or have received a subsidized one-year employment through the EO around Kosovo. 99% of the candidates were monitored during their contract period.

In the reintegration process, the role of Municipal Offices for Communities and Returns (MOCR) is crucial as they are the first point of contact for the repatriated persons. There they receive all the information regarding reintegration process and the benefits they are entitled to. Lack of information sharing between the MOCR and EO has been a challenge for including more repatriated persons into employment schemes. The project has organized regional meetings in order to strengthen the cooperation and communication between both institutions, which was very useful to promote partnerships and positive outcomes in this reporting period. The project has cooperated with OSCE to organize regional meetings and to strengthen the role of these two institutions in providing better services for repatriated persons.



Until recently, her family of four was supported only through social assistance. "One of my sons studies at a university, while the other still in high school," Fatmire Ejupi says. "I will keep working so that they can continue their studies and build their lives here."

Read more about our support to the reintegration of the repatriated persons in Kosovo:

<http://www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2015/7/21/coming-home-supporting-kosovo-s-repatriated.html>

On the other hand there is a lack of interest of repatriated persons to work in Kosovo. During monitoring visits, the repatriated people obviously showed dissatisfaction with the wage in Kosovo, comparing it with the one in the sending countries. The project, during regional meetings with MEO and MOCR, has discussed the approaches that these offices should use in order to convince repatriated persons about the benefits for them and their families in the integration as the only way for their better future. Both employment programmes for repatriated have been adopted to be closer to the needs of both the employers and the repatriated. Considering the challenges, the wage subsidy scheme for repatriated subsidizes employment for a period of 12 months, within a 12 months employment contract. Considering the sensitivity of the situation, the almps targeting repatriated should be continuously monitored in the field, and they should be adopted based on the findings.

- **Establishment of the Employment Agency**

Currently, PES in Kosovo is undergoing major reforms, which include building an internal training system, establishing a PMF, diversifying the active labour market measures, and others. One of the



major reforms is the institutional separation of labour policy design from labour policy implementation. To ensure this clear division, MLSW has drafted and the Parliament has approved the Law on establishing and functionalizing the Kosovo Employment Agency, and the government has approved the regulation of the organizational structure and function within the EA. However, the EA has yet to become functional.

- Implementation of the Self-Employment Programme

During 2015, the MLSW with the support of UNDP implemented for the first time the SEP as a new active labour market programme. There were several challenges faced during the implementation, which were well noted and new solutions will be tried out during the implementation of SEP in the Mitrovica region.

- The lack of entrepreneurship skills of the unemployed registered in the employment offices, has had an impact on the lack of diversity in the business ideas submitted;
- The VTC trainers have limited capacities and skills to deliver the ‘Start your business’ training to the selected applicants;
- Even though the counsellors in the EOs were trained to provide support to unemployed applying for SEP, there was a need for direct support from the project team throughout the process.
- The business idea application form contained information which were not necessary during the evaluation process;
- The unemployed were not familiar with the business environment in Kosovo, and needed hand-on support during the implementation of the business plans.
- The business environment in Kosovo is not entirely friendly for start-ups. This created a financial burden when beneficiaries of SEP started implementing their business plans.
- There is a lack of coordination among donors who support start-ups, and not all International and Local Organisations report beneficiaries of grants through the MLSW Employment Management Information System

For the implementation of SEP 2016 in the region of Mitrovica, UNDP has refined the operational guidelines based on the challenges and lessons learned, and is introducing an innovative approach in order to test and compare the level of impact and the success rate of newly established businesses. Some of the main elements that have been changed, and will be piloted differently are:

1. The business idea application form is simplified, to include the most important elements that are needed during the evaluation process;
2. The training in VTCs will be delivered together with external consultants. This will increase capacities of the VTC trainers and result with improved quality of business plans
3. Unemployed who successfully complete the training, will have the opportunity to work with coaches and business development experts;
4. There will be a field verification of the business plans, to ensure that all the information provided are accurate;
5. The candidates will have the opportunity to present their business plan in front of the evaluation panel.

### **Lessons learned**

- Good monitoring is critical for accountability in a complex institutional arrangement

As noted earlier, the project put a lot of effort in developing strong accountability mechanisms during implementation, with a particular emphasis on its monitoring system. Every project year around 80-90% of the beneficiaries from the schemes were reached through the monitoring system. The latter proved to be very effective in making sure that no abuses occurred during implementation.

Once the list of beneficiary workers and enterprises is confirmed, the project team, in coordination with regional and municipal employment centres, organizes monitoring visits on a regular basis so as to ensure that they were fulfilling their commitments to employ/train beneficiaries for the period agreed in the MoU. Any enterprise and individual found misusing the system was “blacklisted” and excluded from future schemes. Depending on the level of misuse, exclusion was applied on a range from one year or more

- Technology and information tools are critical for the efficiency and sustainability of ALMPs

Another important lesson from the ALMP project was the importance of developing and using technology and information tools to support implementation and programme design. It was noted earlier in this report that one of the main causes for the delays and the quality of case processing during the project’s lifespan was the lack of a functional Employment Management Information System (EMIS). The lack of such integrated information tools also impacted the implementation of some schemes which required coordinated efforts and sharing of information between different departments.

It is worth noting that a simple excel database of beneficiaries such as the one kept by the ALMP project was very useful in gaining critical information about the project, including here impact indicators. By simply contacting beneficiaries to ask whether they had gained employment after their inclusion in the scheme, and comparing the data with specially designed control groups, the project was immediately able to assess its impact on beneficiaries.

- Proper design of active employment measures, continuous learning and flexibility is critical to achieve intended outcomes and impact

This approach of having the project on “permanent monitoring and review” enabled the project to introduce necessary changes in the operational procedures; to test and scale up some schemes while phasing out others; to understand and respond to the capacity building needs of local institutions; to better understand the interventions that were necessary to ensure the long-term sustainability of ALMPs once donor support is phased out. In more practical terms, it was this flexibility that allowed reaching output targets by, for example, softening eligibility criteria to increase participation of minorities or by increasing number of beneficiaries in one scheme when another became less popular.

- Institutional commitment and ownership is critical for efficiency in implementation and sustainable capacity building

Ultimately, no project can achieve optimal success or become sustainable if there is no strong and continued commitment and ownership throughout the hierarchy of local authorities. As noted at the beginning of this report, there was significant buy-in for the project as the issue of youth unemployment is a public policy priority. Nevertheless, it was one among many and often conflicting priorities that were being addressed in a context of limited absorption capacities and considerable institutional volatility, which often caused difficulties in implementation. While many of these issues were addressed during project’s lifespan, they do represent a particular concern for long-term sustainability as donor projects working with ALMPs scale down or retreat.

Ultimately, the greatest challenge in sustaining and empowering the achievements of the project will be the sustained financial and political commitment by higher level institutions, especially having in mind the wide range of actors involved in implementation. That is why it is of critical importance for projects seeking sustainability to include in their governance actors such as the Ministry of Finance

and the Office of the Prime Minister to establish the Employment Fund, which will be used specifically to finance the implementation of different active labour market programmes.



# Part C

## (Quality Assurance)

### (3.a) Risk Management

Assumptions and Risks	Mitigation	Current situation
<p>Low commitment of labour market institutions to implement the project.</p>	<p>The project is designed to work at the policy level and local level. Changes due to elections did influence the central level posts, however, changes at the local level were minor. Several meetings were organized with the new minister and the cabinet. At the same time, the collaboration with the DLE remained the same. .</p>	<p>The changes which occurred due to elections, did not have a negative impact in the delivery of the project. The collaboration with the MLSW continues to be very strong, and the management structure has not been changed, thus the processes continue to be implemented. There is a higher commitment at the political level to advance and implement the current PES reforms.</p>
<p>Limited PES and VTC human resources (and human capacities) to effectively provide integrated employment services and implement various employment programmes</p>	<p>The project has organized several trainings to strengthen PES and VTC capacities to improve service delivery. The ICT tools have had a positive impact in increasing the number of jobseekers served. Technical capacity development has been provided by the project team.</p>	<p>The capacities of the PES still require to be strengthened, especially in terms of offering all the clients the same type of services, according to their needs, everywhere in Kosovo. The standard service delivery model is currently being developed, and further training will be delivered to PES staff.</p>
<p>Lack of unemployed persons seeking jobs actively through PES due to lack of information or trust</p>	<p>Unemployed people not registering with PES may highly be due to lack of information on services they provide. Project has organised outreach activities. In addition the project has made efforts to encourage women and minority communities to participate in the project</p>	<p>Only during the reporting period, the number of jobseekers using PES services has increased by 14%. This is due to information campaigns organized and also the work done by the MLSW itself in promoting its services.</p>
<p>Limited number of enterprises interested to partner in facilitating trainings, actively participating board meetings, public discussions, think</p>	<p>Project has very good cooperation with private sector (database of about 2000 partner enterprises). In cooperation with other IOs, PES skills to better approach enterprises shall be</p>	<p>The project continues to have very good cooperation with the private sector companies. Additionally, the project has strengthened the partnership with other business associations.</p>

tanks etc. organised by the project	developed	
Limited number of local organisations/consultants that provide qualitative mentoring for start-ups	A competitive procurement process was finalized, and very experienced company has been identified, which has local and international expertise in offering mentoring services, and other supporting services to start-ups.	The company is ready to provide the services to the start-ups.
Lack of financial resources committed by Kosovo institutions to continue implementation of active employment measures	The project shall support MLSW to draft a comprehensive employment programme to be submitted for Gov. approval. In addition, a feasibility study on creation of an Employment Fund shall be conducted. Currently, the project is seeking to initiate the process of hiring an international expert.	Currently, the project will support the MLSW with an employment programme. Once the EA has been established and a specific budget code has been provided by the Ministry of Finance, the project will support MLSW with a feasibility study for the establishment of an Employment Fund.
Limited coordination of activities in the area of operation	Currently, the MLSW has an annual work plan with the detailed descriptions of all the activities of the main partners. At the same time, MLSW has assigned a new staff with the responsibility to coordinate the work of all the organizations working directly with MLSW.	Currently, the main international and national organizations working with MLSW organize meetings based on activities, rather than using the Annual work plan which was developed in 2014.

### (3.b) Project Management

- *Organizational structure*

The day-to-day management is the responsibility of the UNDP AMLP 2 Project Team consisting of Project Manager, Business Development Officer, Project Associates, Finance and Admin Associate, Visibility and Outreach Assistant. A new member has joined the team, a Project Assistant, who will support in the implementation of almps, especially in regards to the administrative procedures. The ALMP team works under the direct supervision of the Project Manager. The line supervisor of the ALMP team is the Inclusive Growth and Sustainable Development Programme Analyst/Portfolio Manager.

The Project Board is facilitated by the UNDP Deputy Resident Representative<sup>2</sup>, comprising of one or more representatives from the Government of Finland and representatives from Ministry of Labour and Social Welfare. The Board has extended its membership to the Ministry of Internal Affairs during 2015. The Project Board role includes:

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<sup>2</sup> UNDP shall make efforts to transfer the facilitation role to the project's main beneficiary MLSW

- Responsibility for making strategic decisions by consensus, including the approval of project revisions (i.e. changes in the project document);
- Approval of Annual Work Plans, Annual Reviews and mid-term reports;
- Meetings for at least twice a year to review management risks and most relevant issues; meetings can be held virtually (i.e. teleconference, videoconference, etc.);
- Consultations with the Project Manager for decisions when management tolerances (in terms of time and budget as per work plan) have been exceeded (the Project Board defines tolerances).

The PB approves all major plans and authorises any deviation from agreed plans. It is the authority that signs off the completion of each stage as well as authorises the start of the next stage of project implementation. It ensures that required resources are committed, and arbitrates on any conflicts within the Project or negotiates a solution to any problems between the Project and external bodies. The PB is ultimately responsible for assurance that the Project remains on course to deliver the desired outcome of the required quality to meet the Project's objectives defined in the Project.

- *Monitoring*

At every stage of the project, all indicators have been monitored, and the impact measured through data collection. Regular reporting and monitoring was carried out by the Project Team, including spot check joint monitoring with the employment counsellors. The project is also monitored through administrative data of EMIS and the project database. This year, the project has a new database used to collect information for each implementation stage of SEP.

- Quality Assurance (by the programme team)

The UNDP Kosovo office Programme Coordinator, Programme Analyst and Programme Officer have provided specialist quality assurance, mostly of a technical nature. UNDP's Policy Unit has been involved in the quality assurance of the related policy development initiatives. The Project Board (PB) has received advice from project assurance, which raised any issues that may not have been addressed and advice on quality issues. Project assurance has also highlighted areas of concern to the Project Management Unit. Additional Quality assurance has been provided through monitoring reports.

### **(3.c) Project impact and visibility**

This project has had a great impact on the lives of its beneficiaries across Kosovo, by providing more sustainable ways to generate income for hundreds of families in both rural and urban regions. The project has utilized digital and social media, information campaigns, conventional media, and web pages of UNDP and MLSW to promote and present the project activities to the public. The ALMP Facebook page and Twitter accounts have been used for live coverage of the events and for presenting success stories of our beneficiaries, partners and also for sharing the results and improvement of services of PES with our audience. For more information please refer to:

Facebook: <https://www.facebook.com/KosovoALMP>

Twitter: <https://twitter.com/UNDPALMP>

The information campaigns used during the launching period of the almps, such as the Self Employment Programme and the extension of the On the Job Training Programme through cooperation with the Embassy of the United Kingdom in Kosovo have received broad coverage from main news outlets and local media. Special campaigns were used to deliver information to job-seekers from vulnerable groups. Self-Employment Brochure has been developed as promotion tool which will be delivered to media, donors, institutions and partners, as well as potential beneficiaries, with the aim of supporting the expansion of the scheme and fund mobilization for its implementation.

Conventional media have covered the activities, campaign and non-campaign related, either through news coverage, stories or TV debates. For more information please refer to some below:

**Self-Employment in Mitrovica:**

KTV: <https://www.youtube.com/watch?v=xhr8YYtXZvs>

<http://zeri.info/aktuale/75952/prezantohen-te-gjeturat-e-analizes-se-sektorit-privat-dhe-lansohet-programi-i-vete-punesimit-per-rajonin-e-mitrovices/>

<http://koha.net/?id=9&l=98212>

**OJT signing ceremony:**

Kosova Press: <http://www.kosovapress.com/sq/nacionale/nenshkruset-marrevshje-me-usaid-in-per-aftesim-te-punetoreve-62401/>

Klan Kosova: <http://klankosova.tv/abrashi-nenshkroi-marrevshje-per-subvencionimin-e-130-vendeve-te-punes/>

Gazeta Express: <http://www.gazetaexpress.com/lajme/nenshkruset-marrevshja-per-subvencionimin-e-pagave-per-130-vende-te-punes-161589/>

RTV 21: <http://rtv21.tv/web/nenshkruset-marrevshja-per-subvencionimin-e-pagave-per-130-vende-te-punes/>

RTV 21: <http://rtv21.tv/web/?p=34922>

Klan Kosova: <http://klankosova.tv/abrashi-shpalos-programin-per-rrogat/>

Telegrafi: <http://www.telegrafi.com/ekonomi/lajme-ekonomi/ministri-abrashi-shpalos-ne-gjilan-platfermen-per-subvencionimin-e-pagave.html>

Koha net: <http://koha.net/?id=9&l=65726>

Kallxo.com (watch video): <http://live.kallxo.com/sq/MTL/Kosova-Fillon-Subvencionimin-e-Pagave-7347>

Zëri: <http://www.zeri.info/ekonomia/39937/lansohet-programi-per-subvencionimin-e-pages/>

Time Al: <http://time.ikub.al/lajme/MPMS-dhe-UNDP-Lansuan-Programin-per-Subvencionimin-e-Pages.aspx>

RTK main news (19:30) on YouTube, watch from 29:28

minute: [https://www.youtube.com/watch?v=Bxc0efUk46Y&index=1&list=PLRrFsdYF5HhJpjsE\\_tg8Y82KaTseurEO9](https://www.youtube.com/watch?v=Bxc0efUk46Y&index=1&list=PLRrFsdYF5HhJpjsE_tg8Y82KaTseurEO9)

Epoka e

Re: <http://www.epokaere.com/index.aspx?SID=13&PMID=6&LID=2&ACatID=5&AID=61980&Ctype=1>

Gazeta Lajm: <http://www.gazetalajm.com/15-komuna-perfitojne-nga-programi-i-vetepunesimit.html>

Prizren Press: <http://prizrenpress.com/>

The webpages of UNDP Kosovo and UNDP Istanbul Regional Hub have been used to promote the success stories of the beneficiaries which can be found throughout the report:

August 2015, "I want to build my future: Self-employment in Kosovo":

<http://www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2015/8/7/i-want-to-build-my-future--self-employment-in-kosovo-.html>

July 2015, "Coming home: Supporting the repatriated in Kosovo":

<http://www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2015/7/21/coming-home--supporting-kosovo--s-repatriated.html>

July 2015, "On-the-Job Training Leads to Long-Term Employment":

<http://www.ks.undp.org/content/kosovo/en/home/presscenter/articles/2015/07/24/unemployment-is-a-major-obstacle-to-development-and-.html>

June 2015, "Continuing to provide Jobs for the Most Vulnerable":

<http://www.ks.undp.org/content/kosovo/en/home/presscenter/articles/2015/06/30/continuing-to-provide-jobs-for-the-most-vulnerable0.html#.VZaic41qmxQ.facebook>

At the same time, MLSW has posted information on their page regarding the procedures and forms to be used during the application process for almps, and the selected candidates for each stage of implementation:

<https://mpms.rks-gov.net/Portals/0/ShpalljePublikime/Programi%20i%20subvencionimit%20te%20Pages.zip>

## Annex 1. Summary of Financial Report (EUR)

Donor	Total Budget Planned	Committed	Disbursed	Total Expenditures	Balance	UTL
Gov. of Finland	626,592	91,994	515,692	607,686	18,906	97%
UNDP	200,000	70,000	126,597	196,597	3,403	98%
Gov. MLSW	290,000	141,638	148,362	290,000	0	100%
Gov.MIA	197,842	79,379	118,463	197,842	0	100%
<b>TOTALs</b>	<b>1,314,434</b>	<b>383,012</b>	<b>909,113</b>	<b>1,292,125</b>	<b>22,309</b>	<b>98%</b>

## Annex 2: Summary of the Annual Work Plan 2016 (EUR)

ALMP2 2016	FIN	MLSW	MIA	UNDP	FCO	Total by Output
Output1	174,415	292,932	800,620	70,800	62,964	<b>1,401,731</b>
Output2	61,000	-	-	-	-	<b>61,000</b>
Output3	37,000	-	-	5,000	-	<b>42,000</b>
<b>Total planned budget</b>	<u>272,415</u>	<u>292,932</u>	<u>800,620</u>	<u>75,800</u>	<u>62,964</u>	<b>1,504,731</b>
General Management Support (GMS)	21,793	11,188	24,019	-	5,037	<b>62,037</b>
<b>Total Budget</b>	<u>294,208</u>	<u>304,120</u>	<u>824,639</u>	<u>75,800</u>	<u>68,001</u>	<b>1,566,768</b>