



50  
YEARS

*Empowered lives. Resilient nations.*

## United Nations Development Programme Active Labour Market Programmes 2



### **Project Progress Report**

January – December 2016

Prepared for

Project Board Members

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 its Action Plan 2015 – 2017. The project is implemented together with the Ministry of Labour and Social Welfare as the main project partner, 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 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 have also kindly been contributed by the British Government, for the implementation of active labour market programmes.

Through a comprehensive and scaled-up approach, the overall goal of the intervention is to build-up on joint 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 2016 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.

Expected Outputs	Project Indicator (s) /Baseline/ Targets/Status 2016
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 is beneficiaries in 2012 10,922)  <u>Target 1:</u> % of youth (15-24) benefiting from almps is increased at least for 5%  <u>Status 2016:</u> <i>48% of the almps beneficiaries are youth (total supported by ALMP2 1,836)</i></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> % of women benefiting from almps is increased at least for 10%  <u>Status 2016:</u> <i>41% of the beneficiaries are women</i></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> % of almps beneficiaries from minorities is increased at least for 3%  <u>Status 2016:</u> <i>17% of beneficiaries are from minority communities</i></p>

	<p><u>New indicators 2016 – 2018 (reintegration phase 2)</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  <u>Status 2016:</u> <i>930 repatriated benefitted from almps (2016)</i></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  <u>Status 2016:</u> <i>27% of almp beneficiaries are readmitted women</i></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  <u>Status 2016:</u> <i>14.5% of beneficiaries are readmitted non-majority communities</i></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  <u>Status 2016:</u> <b>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 2017  <u>Baseline 1:</u> There are no proposed modalities in place for establishment of an Employment Fund  <u>Target 1:</u> The feasibility study including proposed modalities implementable in Kosovo is developed and endorsed by the relevant institution  <u>Status 2016:</u> <b>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-finished), World Bank projects, GIZ projects, Aligning Education with Labour Market Needs (ALLED) project, EC-funded KOSVET 6 project (finished) and others.

**Donors:**

Ministry for Foreign Affairs of Finland:	1,200,000 euro
Ministry of Labour and Social Welfare:	518,000 euro
Ministry of Internal Affairs:	1,269,156 euro
United Nations Development Programme:	312,500 euro
The Government of the United Kingdom	68,000 euro
<b>Total Project Budget:</b>	<b><u>3,367,656 euro</u></b>

## Contents

Project Card.....	2
Part A.....	6
(1.a) Executive Summary .....	6
(1.b) Background information.....	9
(1. c) Expected Results during the next reporting period .....	10
Part B (Detailed Progress Report) .....	12
(2.a) Reporting on Project Progress .....	12
(2.b) Partnerships, Gender Mainstreaming, Governance and Environment.....	24
(2.c) Challenges and Lessons learned .....	26
Part C (Quality Assurance) .....	30
(3.a) Risk Management .....	30
(3.b) Project Management.....	31
Annex 1. Summary of Financial Report January-June 2016 (EUR).....	33

## 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 of Statistics
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

## (1.a) Executive Summary

- *Introduction*

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), other labour market relevant institutions and private sector. 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 12,833 youth having been part of one of several active labour market programmes implemented in the last decade.

Table 1: Active Labour Market Programmes 2005-2016	Number of beneficiaries	
	2005 - 2015	2016 (June)
On-the-job Training	4,145	284
The Wage Subsidy Programme	2,541	253
The Self-Employment Programme	43	20
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 women and men</b>	12,276	557
	<b>12,833</b>	

- *Summary of results*

ALMP is working in three main intervention areas, namely supporting the labour market institutions develop and strengthen their capacities in policy-making, operational and business processes; direct support to the job-seekers and private sector companies to increase the employability and job creation; enhancing the quality and availability of reliable data to create the space for evidence-based policy making; and ensuring the sustainability of active labour market measures through feasible financing mechanisms.

During the reporting period, ALMP2 has achieved the following results:

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

- The Ministry of Labour and Social Welfare and its staff at the Employment Offices have the capacity and the tools to implement the new service delivery model. The new service delivery

model and profiling mechanisms for its jobseekers was adopted by MLSW, enabling the PES staff to deliver more effective and higher quality services to its clients, including jobseekers and employers.

- The Employment Management Information System has been upgraded, and is currently used, in line with the new service delivery model of public employment services around Kosovo.
- The public employment service' staff of the region of Mitrovica/ë have the capacity and the tools to implement the Self-Employment Programme (SEP) activated in 2015, based on the new operational guidelines which were informed by the lessons learned of the implementation process of SEP 2015.
- The number of active registered job seekers with the PES has increased by 21% compared to the same period in 2015, which means that an additional 15,304 job seekers have chosen PES to search for a job, receive different types of training or participate in almp (January-June 2016). On the other hand, 10,452 new vacancies have been announced in PES by private sector companies, a 9% increase from the annual performance of the entire 2015. 43% of the vacancies have been filled by the employment counsellors.
- An updated nomenclature of professions is ready to be adopted by the Socio-Economic Council based on the international standard classification of occupation 08 of ILO. This classification allows the MLSW to collect better data, KAS to be able to compare labour statistics against the EUROSTAT indicators, and MEST to draft the standards for the qualifications needed for each profession.

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

- **557 young women and men** jobseekers have been able to gain skills and find employment opportunities in private enterprises through different active labour market programmes, such as the on-the-job training (OJT), wage subsidy programme (WSP) and the self-employment programme (SEP). 35.8% of the beneficiaries are women (2016 only).

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

- Kosovo Agency for Statistics has prepared and launched the Labour Force Survey 2015, 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 was able to prepare the database, indicators and report for LFS 2015 the first time with less external technical support as a result of the training delivered to KAS team with the project initiative.
- The Human Development Report on 'Making the Labour Market Work for Women and Youth' has been drafted.
- The Employment Policy document has been used to set the performance indicators of PES in 2016.
- An employer survey assessing the skills gaps in the sectors of food processing and packaging, metal processing, wood processing, textile, ICT and tourism is drafted. The results of it will inform

the curricula development for the Vocational Training Centres and future short and medium-term training programmes of MLSW, MEST or private sector training providers.

- *Gender Mainstreaming, Governance and Environment*

The implementation of the ALMP2 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 partners, the MLSW with its EOs and VTCs and the Ministry of Internal Affairs, 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.

Table 2: Kosovo Labour market data, by gender <sup>1</sup>	LFS 2012	LFS 2013	LFS 2014	LFS 2015
Unemployment rate	30.9%	30.0%	35.3%	32.9%
<b>Men</b>	28.1%	26.9%	33.1%	31.8%
<b>Women</b>	40.0%	38.8%	41.6%	36.6%
Participation rate	36.9%	40.5%	41.6%	37.6%
<b>Men</b>	55.4%	60.2%	61.8%	56.7%
<b>Women</b>	17.8%	21.1%	21.4%	18.1%
Employment rate	25.6%	28.4%	26.9%	25.2%
<b>Men</b>	39.9%	44%	41.3%	38.7%
<b>Women</b>	10.7%	12.9%	12.5%	11.8%

<sup>1</sup> Labour Force Survey Reports (pub. 2013, 2014, 2015, 2016).



Youth unemployment rate	55.3%	55.9%	61.0%	57.7%
<b>Men</b>	52.0%	50.4%	56.2%	54.2%
<b>Women</b>	63.8%	68.4%	71.7%	67.2%

The project has not used quota as a form of increasing the inclusion of women in the almps and also other project activities, due to the priorities linked to repatriated

persons. The main target group for this period have been the repatriated, whose participation in the almps was based on first come-fulfill criteria-first serve basis. The decision was taken taking into consideration the importance of reintegrating repatriated persons in the labour market as one of the key criteria for the visa liberalization process. During the reporting period, women represent around 35.8% of the total number of the project beneficiaries. As part of gender mainstreaming, this year the project together with PES has started introducing quota also for the types of professions, trying to engage more women into private companies operating in sectors with higher potential for growth. Although the project aims are not specifically designed to have an impact in environmental aspects, priority was given to supporting environmentally-friendly companies, and companies that use clean technology resources, especially within the self-employment scheme.

### **(1.b) Background information**

During the 2012-2015, the Gross Domestic Product (GDP) of Kosovo has increased by an 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 remittances sent by migrants and diaspora, 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.

The Labour Force Survey 2015 (LFS) showed that the main labour market indicators correspond to the challenges the labour market in Kosovo keeps facing (table 2). 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, 62.4% and 25.2%, respectively. The labour market indicators for women are especially low. The employment structure shows that 25.2% of the working age population was employed in 2015, around 296,940 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 also during the first half of 2016. As aforementioned, the number of active registered job seekers with the PES has increased by 21% compared to the same period in 2015, which means that 15,304 job seekers have chosen PES to search for a job, receive different types of training or participate in almp (January-August 2016). On the other hand, 10,452 new vacancies have been announced in PES by private sector companies, a 9% increase from the annual performance of 2015. 43% of the vacancies have been filled by the employment counsellors.

**The MLSW 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 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.

Through providing gender-sensitive employment and skills development opportunities for Kosovars, as well as helping public institutions to deliver more effective, tailored, and modern services, the project contributes to a number of **Sustainable Development Goals**: **SDG1**: End poverty in all its forms everywhere, **SDG5**: Achieve gender equality and empower all women and girls, **SDG8**: Promote inclusive and sustainable economic growth, employment and decent work for all, **SDG10**: Reduce inequality within and among countries, and **SDG16**: Promote just, peaceful and inclusive societies. Overall, the project strategy contributes towards achieving the outcome of the **Kosovo Common Development Plan 2016 - 2020**: Outcome 2.1: Education and employment policies and programmes enable greater access to decent employment opportunities for youth and women. 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. The project contributes 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. ALMP2 promotes gender equality and inclusion of marginalized groups throughout its activities.

### **(1. c) Expected Results during the next reporting period**

During the remaining part of the year, the ALMP 2 is expected to achieve the following results:

1. Organise a study visit (to FYRoM) on best practices and lessons learned from implementing self

- employment programmes (representatives of the Employment Offices and VTC)
2. Support the MLSW in setting up systematic and regular dialogue meetings with relevant local and international stakeholders at the technical level/department level
  3. Support the operationalization of the Department for Labour Market of the Employment Agency (procurement and budgetary processes, new service delivery model, analysis of the labour market information system, monitoring of almp)
  4. Organize a study visit to Lithuania on best practices and lessons learned on the adaptation of ISCO 08, and its impact on the process of developing qualification and occupation standards (participants from the inter-ministerial working group established by Socio-economic council)
  5. Develop a database for the new classification of professions adopted, to be used by all institutions.
  6. Publish the Skills needs assessment and the HDR on 'Making the Labour Market Work for Women and Youth'
  7. Publish the impact and cost-benefit analysis for the reintegration services provided to repatriated persons in Kosovo.

## 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>Target 2016</i>	<i>Indicator status (Fully/Partially/Not achieved)<sup>2</sup></i>	<i>Explain the status of the Indicator</i>	<i>Means of Evaluation/ Verification</i>
% youth (15-24) benefiting from almps is increased at least for 5%	<b>Fully achieved</b>	48% of the almps beneficiaries are youth	<b>ALMP project database</b>
% women benefiting from almps is increased at least for 10%	<b>Fully achieved</b>	41% of the beneficiaries are women	<b>ALMP project database</b>
% almps beneficiaries from minorities is increased at least for 3%	<b>Fully achieved</b>	17% of beneficiaries are from minority communities	<b>ALMP project database</b>
At least 450 readmitted persons benefit from almps	<b>Fully achieved</b>	405 readmitted have benefited from almps during 2016. More have been employed than planned, thus the entire budget for almps is committed or spent.	<b>ALMP project database</b>
At least 25% of almp beneficiaries are readmitted women	<b>Fully achieved</b>	27% of almp beneficiaries are readmitted women	<b>ALMP project database</b>
At least 40% of beneficiaries are readmitted non-majority communities	<b>Not achieved</b>	14.5% of beneficiaries are readmitted non-majority communities	<b>ALMP project database</b>

#### Reform and Modernization of Public Employment Services

In the past two years, the Ministry of Labour and Social Welfare (MLSW) has undertaken many reforms to **improve the quality and efficiency of the service delivery model** of its Public Employment Services (PES) towards a client-oriented service delivery based on the specific needs of jobseekers and employers in the labour market. The model has integrated all functions of PES into one employment counsellor, allowing the latter to interact with all types of clients. At the same time, the client interacts with only one counsellor to receive all the needed services: employment counselling, career orientation, job placement, participation in active labour market programmes (almp) and others. The new service delivery model, at

<sup>2</sup> The target is "Partially achieved" when 60% of target is reached; Target is "Not Achieved" when less than 60% of target is achieved; target is "Fully achieved" when 100% or more of target is achieved.

the same time, allows the employment counsellors to profile its jobseekers based on the risks of becoming unemployed, and then identify the package of services most suitable for the client.

The service delivery model is maintained through two main packages of products developed by ALMP2, in collaboration with Enhancing Youth Employment (EYE), a SDC-funded project, and delivered to MLSW in the reporting period, **namely the instruments that employment counsellors use, i.e. manuals and software**, and at the same time, **online services** which can be used directly by the clients without having to visit the physical employment offices. The Operational Manual on the new services delivery model (*for more information: annex 1: Operational Manual for Provision of Employment Services*) provides step-by-step guidance to deliver the intended services. The manual is developed with the objective to ensure similar standards and quality of services across all the employment offices in Kosovo, to facilitate the work of the counsellors in their daily work and to serve as a reference for any issues that might arise in the future. The manual is intended to be a living document, that is updated based on the knowledge and know-how that the employment offices accumulate during the service delivery, thus it is strongly encouraged that each year the manual is revised, if there is a need. The manual was **printed in hard copy** and was delivered to all counsellors around Kosovo. **All employment counsellors were trained** on how to use the manual and on the new service delivery model.

The **Employment Management Information System (EMIS)**, which is the most important software used by the employment offices **has been upgraded** to include all the changes informed by the new service delivery model. Through this upgrade, the system is able to perform the initial profiling of the clients based on their needs in the labour market, thus it profiles them as having low, medium or high risk of becoming long-term unemployed. As the model dictates, the counsellor, based on this information provided by EMIS, can select the package of services to be delivered to the particular client. This upgrade provides an immense opportunity for MLSW to use at the best its limited financial and human resources, channelling them to where they are most needed. During the reporting period, all the employment counsellors were trained on how to use the upgraded EMIS, and were explained their new roles in the system. Additionally, **EMIS has extended its functions** for the use of **Vocational Training Centers (VTC) and the DLE**. Each function within the MLSW has a new assigned role also in the system, allowing the work of each to be traced and the performance to be better evaluated.

Furthermore, the **operational manual for implementing the Self-Employment Programme (SEP) in the region of Mitrovicë/a** has been updated to reflect the lessons learned of the first phase of the SEP implementation. Similarly, this manual provides guidance to employment counsellors on the process of implementing the SEP and also supports it with forms to be used in each of its steps. As a result, the quality of the application received and the typology of applications has improved significantly. Moreover, the implementation cycle timeframe was reduced, thus from the moment of application to the moment of receiving the grant, the jobseekers go through a process of around four months, compared to six months' implementation period during the first piloting phase. This timeframe includes the process of business idea application, training on business plan development, submission of business plans, and awarding the grant contracts. Through its implementation process, ALMP2, in collaboration with the

other UNDP implemented projects, managed to functionalize the **SEP also in the northernmost municipalities of Kosovo**, improving the collaboration of the EOs in the Mitrovicë/a region.

On the policy level, the Department of Labour and Employment (DLE), finalized its first **Employment Policy document 2016-2018**. This is a comprehensive employment programme, allowing the DLE to have a short term vision of performance of PES. Based on an in-depth analysis of the current economic development situation in Kosovo, and the conditions to which new vacancies can be created, reflecting on the employment data of Tax Administration Office, PES and the Pension fund during 2015, the Employment Policy Document provides performance indicators for each year. This is also a very good example on how the **performance management framework**, developed last year with the support of ALMP2, has been **integrated into policy development processes**.

ALMP2 has continued to support the MLSW in **its objective to functionalize the Employment Agency**. **The Annual work plan** of the Employment Agency was prepared together with the DLE and in line with the Employment Policy document. **The job descriptions of all the roles in the organogram** of the Employment Agency have been drafted and approved by the MLSW, and, at the same time, have been aligned with the classification of the positions of public servants in Kosovo. However, even though all the necessary preparatory work has been done, the MLSW has yet to functionalize its Employment Agency.

Finally, **the International Standard Classification of Occupations (ISCO) o8**, an international ILO standard applied to Kosovo is ready for the endorsement of the Socio-Economic Council. ISCO o8 for Kosovo has been adopted to reflect the needs of the MLSW, the Ministry of Education, Science and Technology, the Kosovo Agency of Statistics, and other institutions which collect data on employment. The new classification needs to be endorsed in order for the follow-up work plan to be implemented.

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

ALMP2 project team has provided hands-on technical support to all the employment counsellors throughout Kosovo in the implementation process of the almp: On-the-job training (OJT), the Wage Subsidy Programme (WSP) and the Self-Employment Programme (SEP). 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. As part of the successful collaboration with the employment offices and vocational training centres around Kosovo, the EOs and VTC operating in the northern-most municipalities of Kosovo participated in the implementation of all the almp.

For the implementation of these programmes, the project has worked closely with the private sector companies, working in different economic activities (see table below).

**Table 3: Type of economic activity**

**Number of project beneficiaries (OJT and WS)**

Agriculture, hunting and forestry	8
Mining and quarrying	7
Manufacturing	120
Electricity, gas and water supply	2
Construction	27
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	149
Hotels and restaurants	67
Transport, storage and communication	7
Financial intermediation	2
Real estate, renting and business activities	21
Public administration and defense; compulsory social security	4
Education	9
Health and social work	8
Other community, social and personal service activities	126
<b>Total</b>	<b>557</b>

**What is OJT?** It is a three-month 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.

OJT in numbers for January – June 2016

- 284 women and men gained new skills, mainly in private enterprises, guided by the individual training plan, prepared together with the trainers of the VTCs;
- 43% of the beneficiaries were women;
- 47% of the beneficiaries were young, below 24 years old;
- 27% were from non-majority communities;
- 181 were repatriated to Kosovo and supported through the reintegration programme;
- 203 private enterprises collaborated in the implementation of the OJT;
- 8% withdrew from the OJT during the programme for various reasons.

Regions	Total	Women	Men	15-24 years old	Non-majority	Repatriated
Ferizaj/Uroševac	43	18	25	16	18	34
Gjakovë/Djakovica	33	12	21	11	19	25
Gjilan/Gnjilane	23	11	12	14	7	13
Mitrovicë/a	99	42	57	39	13	79
Peja/Peć	17	8	9	13	2	3
Prishtinë/Priština	48	23	25	25	12	19
Prizren	21	8	13	14	5	8
<b>Total</b>	<b>284</b>	<b>122 (43%)</b>	<b>162 (57%)</b>	<b>132 (47%)</b>	<b>76 (27%)</b>	<b>181 (63.7%)</b>

**What is WSP?** One-year employment programme, which subsidized up to 50% of the employee's wage, on a six, nine or twelve-month period, based on the profile of the jobseekers (the ones with a higher risk of becoming long-term unemployed are subsidized for a longer period).

WSP in numbers for January – June 2016

- 253 women and men were employed for a period of one year through the WSP;
- 28% of the beneficiaries were women;
- 25% of the beneficiaries were young, below 24 years' old;
- 7% were from non-majority communities;
- 221 were repatriated persons to Kosovo and supported through the reintegration programme;
- 246 private enterprises collaborated in the implementation of the WSP;
- 9% withdrew from the WSP during the programme for various reasons.

Regions	Total	Women	Men	15-24 years old	Non-majority	Repatriated
Ferizaj/Uroševac	16	6	10	5	2	11
Gjakovë/Djakovica	10	3	7	1	1	6
Gjilan/Gnjilane	59	16	43	16	5	56
Mitrovicë/a	118	31	87	30	3	112
Peja/Peć	14	4	10	3	2	11
Prishtinë/Priština	30	10	20	4	1	22
Prizren	6	2	4	3	4	3
<b>Total</b>	<b>253</b>	<b>72 (28%)</b>	<b>181 (72%)</b>	<b>62 (25%)</b>	<b>18 (7%)</b>	<b>221 (87%)</b>

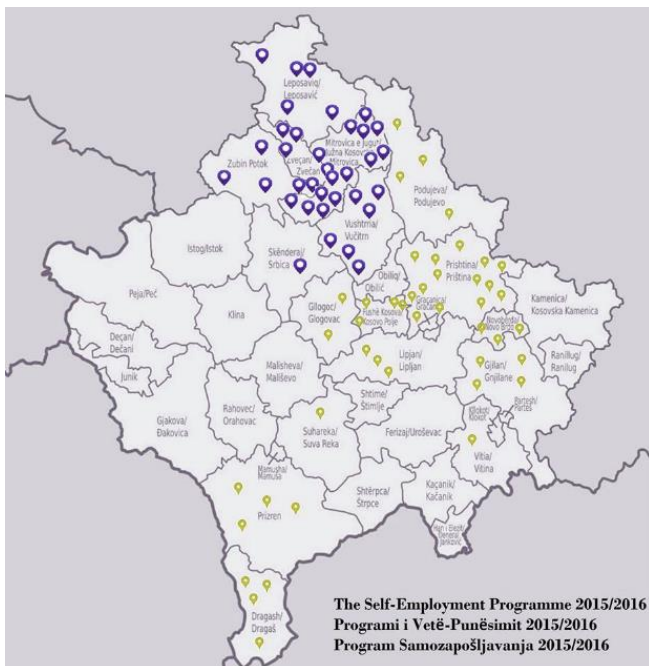
Promoting the programme:

- Stories of beneficiaries  
<http://www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2016/05/11/rebuilding-a-life--new-opportunities-for-kosovars-returning-home.html>
- Business-to-business services:  
<http://www.ks.undp.org/content/kosovo/en/home/presscenter/articles/2016/04/19/new-entrepreneurs-networking-to-build-connections-and-expand-their-businesses/>

**What is SEP?** The Self-employment Programme supports the creation of viable businesses capable of surviving in the competitive market, while promoting self-employment as an active labour market measure. Apart from providing grant support, the Programme also delivers training on business skills and expert support, helping unemployed persons with qualification and orientation to be successful in the chosen field.



In February 2016, the Ministry of Labour and Social Welfare (MLSW) in collaboration with the United Nations Development Programme (UNDP), the Ministry of Trade and Industry (MTI) and the Finnish Embassy, announced the 2016 open call for applications for grants and business development support for **unemployed persons with unique business ideas** under the Self-employment Programme (Programme), financed mainly by the Ministry for Foreign Affairs of Finland, the MLSW of Kosovo and UNDP. The Programme in 2016 was implemented in the region of **Mitrovicë/a** (Mitrovicë/a, Leposaviq/ć, Skenderaj/Srbica, Zubin Potok/Zubin Potok, Zvečan/Zvečan, Vushtrri/Vučitrn). In the 2016 cycle of the SEP, a total of 261 business ideas were submitted.



In the region of Mitrovicë/a, in coordination with two other UN implemented projects (Support to implementation of the forest policy and strategy in Kosovo and UN Joint Programme on Domestic Violence in Kosovo) a total of 265 jobseekers applied with a business idea. The evaluation panel selected 102 candidates with the best ideas, who participated in a 10 days training on gaining business skills and developing business plans. 86 of them successfully completed the training. The training was organized in order to:

- Familiarize applicants with basic business start-up information;
- Provide essential information regarding starting Individual Businesses;
- Equip applicants with tools and knowledge required to successfully launch and run their businesses;
- Teach applicants on how to devise a business plan.

At the end of the training, 79 applicants submitted their business plans, out of which 39 were selected and provided with the grant and mentoring services.

SEP 2016	Business idea applications	Jobseekers trained	Business plans received	Grants and mentorship awarded	Total grant awarded	Total Co-financing
<b>Total</b>	265	86	79	39	157,570 €	27,320 €
<b>Women</b>	110	41	25	16		
<b>Men</b>	155	45	25	23		
<b>Non-majority</b>	89	40	29	19		

Promoting the programme: <https://undpeurasia.exposure.co/the-new-entrepreneurs-of-kosovo>

## **Reintegration of repatriated persons in Kosovo**

As an integral part of visa liberalization and the EU integration process, Kosovo institutions have so far signed bilateral agreements on readmission with 22 EU member states and countries in the Western Balkans. The number of the agreements signed is expected to increase. Since 2009, about 38,000 persons have been readmitted to Kosovo, while only during 2015, 17,000 persons were repatriated. The readmission process in Kosovo is regulated by the Law on Readmission (03/L-208), and other by-laws and administrative instructions.

Kosovo has adopted several strategic and legal documents when it comes to reintegration of readmitted persons. The Ministry of Internal Affairs, as the lead ministry in the process, in cooperation with other line Ministries and with the support of different International Organizations and NGOs are continuously making effort to reintegrate the readmitted persons through providing several support packages, such as food and hygienic kits, healthcare, temporary housing, or education support. However, as it is widely recognized by all stakeholders, more effort should be made towards socio-economic sustainable reintegration of readmitted persons.

During the past years, in addition to the direct support with skills development and employment opportunities to the repatriated persons, UNDP has supported the Department for Reintegration of the Repatriated Persons (DRRP) within the Ministry of Internal Affairs with technical expertise in drafting the legislative framework which regulate the support provided to repatriated persons in Kosovo, including: the amendment of the Action Plan 2014-2016 of the National Strategy for Reintegration of Readmitted Persons 2013-2017; the regulation No. 08/2015 on Reintegration of Readmitted Persons and Management of the Reintegration Programme; the guideline on sustainable socio-reintegration of readmitted persons; the regulation of subsidizing projects on sustainable reintegration 2015; the draft Cooperation Agreement on subsidized projects 2015; the integrity Plan for the staff of the MIA Reintegration Department 2014.

Currently, the DRRP in MIA is in the process of transferring the competences for sustainable reintegration of repatriated persons to the relevant institutions. Therefore, the DRRP is seeking technical support to finalize this process through amending the regulation for reintegration of the repatriated persons, the strategy and the action plan, the Medium-term Expenditure Framework (MTEF) for 2017-2019; the operational manual for repatriation of the unaccompanied children; the regulation for functionalization of the accommodation centre and other documents.

Through this support, the following documents were drafted and are ready for the approval of the Minister and the government:

1. Amended Regulation for Reintegration of repatriated persons in Kosovo is ready for approval;
2. Memorandums of Understanding with line ministries for the transfer of competences to the respective institutions are drafted;
3. Regulations and operational manuals which outline the processes for the functionalization of the Accommodation Centre and repatriation of the unaccompanied children are drafted;

4. The MTEF of the Ministry of Internal Affairs 2017-2019 is revised

Ministry of Internal Affairs and other Ministries, in cooperation with different International organizations and NGOs, have set up a functional and professional mechanism for a sustainable reintegration of repatriated persons at the central and local level, specifically focusing on the main areas of civil registration, health, education, employment, social welfare and housing. The Reintegration Strategy covers all phases of the return process, from the moment of readmission to the provision of various services for reintegrating in Kosovo, aiming to achieve full sustainable legal, political, social and economic reintegration for all repatriated persons regardless of age, gender, ethnicity, religion and race. During the second part of 2016, ALMP2 will support the DRRP to conduct an impact and cost-benefit analysis of the services provided to repatriated persons in Kosovo during the period 2012-2015.

The EMIS records on the services provided to repatriated persons in Kosovo cannot be fully utilized at the moment, due to errors in the process of entering the data by employment counsellors. Thus, it is difficult to illustrate the total number of repatriated persons registered in the Employment Offices around Kosovo. To address the human error, the project is currently linking the Case Management Database of MIA to EMIS in order to verify the status of the jobseeker automatically. The link will generate data for the entire database of EMIS, and provide a clear picture of the repatriated persons registered in the EO throughout the years. In the annual report, ALMP2 will be able to provide a more thorough analysis of the employment services provided to repatriated persons.

The number of repatriated jobseekers seeking employment or training through the EOs has significantly increased during the reporting period (table 8). 1,165 people gained the skills and work experience by being enrolled in different almps, compared to 832 during the period of 2012-2015.

Active labour market programmes for repatriated persons in numbers:

- A total 1,165 women and men, repatriated to Kosovo, were integrated in the labour market through various measures implemented by MLSW and UNDP jointly;
- 181 repatriated women and men have gained new skills through the on-the job training program (34% women);
- 221 repatriated women and men have found sustainable employment and have signed a one-year employment contract with the private enterprises around Kosovo (24% women);
- 318 private companies have signed Memorandums of understandings for the implementation of the almps;
- All the beneficiaries have been monitored at least once from the employment counsellors and ALMP2 team;
- 28 memorandums have been terminated based on issues identified during the filed monitoring;

Austria	17
Belgium	4
Hungary	5
France	7
Germany	319
Italy	3
Luxembourg	7
FYR of Macedonia	6
Norway	6
Sweden	11
Switzerland	16
Slovakia	1
<b>TOTAL</b>	<b>402</b>
Source:	ALMP project database

Table 8: ALMP for repatriated 2012-2016, Source: ALMP Project database and VTC			TOTAL 2012-2015		Total 2012-2016	
	2016	%		%		
<b>On-the-job training</b>	<b>181</b>		<b>405</b>		<b>586</b>	
Women	61	34%	141	35%	202	34%
Men	120	66%	264	65%	384	65%
Non-majority	48	27%	148	37%	196	33%
<b>Wage Subsidy</b>	<b>221</b>		<b>117</b>		<b>338</b>	
Women	52	24%	26	22%	78	23%
Men	169	76%	91	78%	260	77%
Non-majority	13	6%	11	9%	24	7%
<b>Vocational Training at VTCs</b>	<b>763</b>		<b>310</b>		<b>1,073</b>	
		<b>65%</b>		<b>37%</b>		<b>53%</b>
<b>TOTAL</b>	<b>1,165</b>		<b>832</b>		<b>1,997</b>	
		<b>100%</b>		<b>100%</b>		<b>100%</b>

Promoting the reintegration programme:

<http://www.eurasia.undp.org/content/rbec/en/home/presscenter/articles/2016/05/11/rebuilding-a-life--new-opportunities-for-kosovars-returning-home.html>



Figure 1: Mirjeta Hoxha, the new fashion designer, SEP 2015 (photo by Arben Llapashtica)

## Output no. 2: Enhanced knowledge base on labour market leading to evidence-based gender sensitive decision making

<i>Target 2016</i>	<i>Indicator status<sup>3</sup></i>	<i>Explain the status of the Indicator</i>	<i>Means of Evaluation/ Verification</i>
Activity result 7: Relevant Kosovo institutions supported in the production of qualitative labour market data and analytical reports			
At least 3 policy analysis and briefs are produced	Partially achieved	LFS 2015 published; Skills needs assessment and HDR currently in the finalization process	Progress reports

### Labour Force Survey for the year 2015

ALMP2 and the World Bank have jointly supported KAS also in 2016 in ensuring high quality of analysis of the labour market data collected. ALMP supported the 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 2016. The LFS report for 2015 was published and has been widely used by local newspapers and researchers.

Link to the report:

[file:///C:/Users/Ada%20Shima/Downloads/RESULTS%20OF%20THE%20KOSOVO%202015%20LABOUR%20FORCE%20SURVEY%20\(3\).pdf](file:///C:/Users/Ada%20Shima/Downloads/RESULTS%20OF%20THE%20KOSOVO%202015%20LABOUR%20FORCE%20SURVEY%20(3).pdf)

### Skills needs assessment

The Skills Needs Assessment report, currently being finalized, measures workforce skills and competencies in selected occupations and strategic sectors identified by the Ministry of Trade and Industry (MTI) as having more potential to ensure economic growth, generate employment and improve the existing high trade deficit in Kosovo. The report is drafted in collaboration with the Diaspora Engagement for Economic Development project, implemented by UNDP and IOM. Sectors under assessment include food processing and packaging; information technology with focus on business process outsourcing and customer care centres (IT-BPO and CSC); metal processing; textiles and apparel; tourism; and wood processing. The report provides a perspective on the skills needed by employers (the *demand side*) while serving as a source of information for job-seekers to gain employability skills, and the

<sup>3</sup> The target is "Partially achieved" when 60% of target is reached; Target is "Not Achieved" when less than 60% of target is achieved; target is "Fully achieved" when 100% or more of target is achieved.

skills providers and policy-makers in developing mechanisms to match the existing market requirements (the *supply side*). The report aims to assist key institutions in future development and/or alignment of training and educational curricula and strategies accordingly.

Kosovo needs a regular system or mechanism for assessing and forecasting the labour market needs. Besides its principle objective to provide updated information on current skills needs of the employers in the selected sectors, the report should be regarded as a contribution towards establishment of a regular data collection system which will facilitate the matching of market needs with training and education programmes.

The report offers a comprehensive analysis of data collected through an Employer Skills Needs Survey with 590 private companies operating in selected sectors. The survey provides information on specific tasks and skills of 13 occupations and informs on the importance of changes in generic skills, workforce preparedness to meet future important needs as well as the measures taken by firms to address them. Drivers of change introduced by the interviewed companies such as innovation and adaptation to environmental regulations and employee working conditions are also analysed. Moreover, based on the findings of this survey, recommendations for revision or development of new education and training curricula and programmes are provided. Therefore, findings of this survey may well serve as a baseline information in the process of developing occupational standards. The report will be published during the beginning of October.

### **The Human Development report**

The theme of employment and work is considered to be both timely and highly appropriate for the 2016 Kosovo Human Development Report as confirmed by consultations with the general public in Kosovo through UNDP surveys and also a crowdsourcing exercise where unemployment, lack of economic development and poverty/low standards of living were consistently cited by respondents as the most critical problems facing Kosovo today. The report explores the causes of the labour market outcomes within Kosovo's macroeconomic context and also assesses several aspects of labour supply and labour market functioning with a particular focus on women and youth. Both groups display the most negative and pessimistic outcomes in the labour market whilst also simultaneously possessing the greatest potential for sustainable development. The analysis is based on desk and legislative review, econometric analysis of the Kosovo Agency of Statistics (KAS) Labour Force Survey (LFS) data from 2014 as well as the UNDP 2011 Remittance Household Survey data. The findings of the report strengthen existing research on the topic and highlight the urgency for multisector and multidimensional interventions, especially those targeting women and youth.

The report is currently in its finalization stage, and will be published in the beginning of September.

The purpose of the whole 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. The MLSW needs technical assistance to further enhance the capacities in data analysis to ensure that the fluctuations in the private sector or the labour market are captured and addressed accordingly. 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.



Figure 2: Ajnur Arifi, traditional metalsmith, SEP 2015 (photo by Arben Llapashtica)

### Output no. 3: Feasible modalities to establish an Employment Fund are developed

<i>Target 2016</i>	<i>Indicator status</i>	<i>Explain the status of the Indicator</i>	<i>Means of Evaluation/ Verification</i>
Activity result 8: A feasibility report on establishing of a sustainable and gender supportive Employment Fund, along with proposed implementation modalities for Kosovo is produced			
8.1. Feasibility study on creation of sustainable financing for almps is developed	In progress	The government has reached to an agreement as to what the Employment and Investment fund will be composed of. The Employment fund will be one of the pillars of this fund. A competitive process will start to select the international expert who will support the process	Progress reports
8.2. Short term and medium term action oriented costed plans prepared and endorsed by MLSW	In progress	Expertise to be utilized	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, the activities under this output 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 ALMP2 during the reporting period were achieved in close and effective collaboration with all the partners involved. The main partners of the project are the Ministry of Labour and Social Welfare, the MLSW 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, in the reintegration of repatriated persons, the project partners up with the Ministry of Internal Affairs, the



Department for Reintegration of Repatriated Persons, and the Municipal Offices of Communities and Returns. Without doubt, for the implementation of the almps, the partnership with the private sector companies has been crucial. During this year, the project has joined forces with more than 300 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 Kosovo Business Associations around Kosovo. These new partners have supported the information campaigns for the SEP, 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.

For the analytical work of the project, the main stakeholder and partner has been the KAS. They have been involved in each of the pieces of research that are currently conducted by the project, since the initiation phase. 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***

The implementation of the ALMP<sub>2</sub> project has been based on and utilizing the best practices and lessons learned coming from the implementation of the first phase of the project, which has had a very positive impact in improving good-governance and accountability of service delivery in the institutions involved in provision of employment services. The majority of the institutional cooperation has been founded on the very successful partnership of the past 12 years. Due to the project interventions, the public employment services has increased the efficiency and effectiveness of the services delivery. On the other hand, municipalities have improved their capacities to integrated the repatriated persons in the labour market.

- ***Gender***

During the reporting period, the project has used quotas only for a smaller part of the beneficiaries of the project (153 beneficiaries). However, for the reintegration of repatriated persons, quotas have been lifted. When compared, one can easily observe that quotas are needed in all type of employment and skills development projects in order to ensure equal participation of women in the labour market. Even though the demographic analysis of the repatriated persons shows there are more men than women who return, the difference in percentage is not the same as the one achieved through the project.

Table 9: ALMPs 2016	Total	% of women
Repatriated	402	28%
Regular	155	58%
<b>Total</b>	<b>557</b>	<b>36%</b>

Employment scheme for the repatriated person is one of the 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. The project has not used quota as a form of increasing the inclusion of women in the almps and also other project activities, due to the priorities linked to repatriated persons. The main target group for this period have been the repatriated, whose participation in the almps was based on first come-fulfil criteria-first serve basis. The decision was taken taking into consideration the importance of reintegrating repatriated persons in the labour market as one of the key criteria for the visa liberalization process.

- **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. Use of local resources and recycled materials were, on the other hand, used in all of the project activities.

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

### **Challenges**

- Establishment of the Employment Agency

Currently, PES in Kosovo is undergoing major reforms which include building of an internal training system, establishment of a performance management framework, diversification of 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 Kosovo Assembly 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. The proper functionalization of the EA would ensure a proper separation of employment policy making from their implementation, with different institutional competences and monitoring framework for each. This separation is in line with the European Union best practices in the area of Employment Policy, and also in line with the EU accession guidelines.

- Establishment of the Employment fund

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 to strengthen the sustainability of active labour market measure and in coordination with the Ministry of Finance and the Office of the Prime Minister establish the Employment Fund, which will be used specifically to finance them in the future.

### **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



*Figure 3: Edis Krusha, mountain tourism guide, SEP 2015 (photo by Arben Llapashtica)*

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 have used specifically to finance the implementation of different active labour market programmes.

## Part C (Quality Assurance)

### (3.a) Risk Management

Risks	Likelihood	Impact	Mitigation	Current situation
Lack of financial resources committed by Kosovo institutions to continue implementation of active employment measures	M	H	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.	The project has supported the MLSW in drafting a comprehensive Employment Policy document 2016-2018 which is the basis for strategic planning on employment issues. At the same, all the preparatory work for establishing the Employment Agency have been finalized. However, there is a need for stronger commitment from the government institutions to develop the legislative framework for the establishment of an employment fund which would be used to finance almps.
Limited coordination among organizations working in the field of employment	L	H	The project has provided the MLSW with technical assistance at the Minister's cabinet level to ensure that projects in the field of employment are coordinated and are in line with the Employment Policy document.	There is still a need of more coordinated approach in the implementation process of employment projects. There has been more than one occasion when it was noticed that projects are overlapping in activity implementation. The MLSW has plans to organize meeting with external

				partners to discuss the activities of Q4 2016.
Limited PES and VTC human resources (and human capacities) to effectively provide integrated employment services and implement various employment programmes	M	H	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 building has been provided by the project team.	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.
Lack of institutional will to functionalize the Employment Agency	M	H	All the preparatory work for establishing the EA have been finalized and described in detail in this progress report.	The Employment Agency is not functional, and the head of the Agency and the heads of the departments have not been selected yet.

**(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, Business Marketing 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 Programme Analyst/Local Economic Development Portfolio Manager.

The Project Board is facilitated by the UNDP Deputy Resident Representative<sup>4</sup>, comprising of one or more representatives from the Government of Finland and representatives from Ministry of Labour and

---

<sup>4</sup> UNDP shall make efforts to transfer the facilitation role to the project’s main beneficiary MLSW

Social Welfare. The Board has extended its membership to the Ministry of Internal Affairs during 2015. The Project Board role includes:

- 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 Programme team 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.



## Annex 1. Summary of Financial Report January-June 2016 (EUR)

Donor for Jan-June 2016	Total Budget Planned	Committed	Disbursed	Total Expenditures	Balance	UTL
Gov. of Finland	€ 294,208	€ 61,409	€ 152,257	€ 213,666	€ 80,542	73%
UNDP	€ 66,900	€ 1,301	€ 65,292	€ 66,593	€ 307	100%
Gov. MLSW	€ 304,120	€ 108,145	€ 140,713	€ 248,858	€ 55,262	82%
Gov. MIA	€ 837,689	€ 463,498	€ 204,969	€ 668,467	€ 169,222	80%
GOV. of UK	€ 68,001	€ -	€ 68,001	€ 68,001	€ -	100%
<i>Realized Loss</i>	€ -	€ -	€ 627	€ 627	€ (627)	
<i>Realized Gain</i>	€ -	€ -	€ (406)	€ (406)	€ 406	
<b>TOTAL</b>	<b>€ 1,570,918</b>	<b>€ 634,353</b>	<b>€ 631,453</b>	<b>€ 1,265,805</b>	<b>€ 305,113</b>	<b>81%</b>