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United Nations Development Programme

Active Labour Market Programmes 2



Project Progress Report

January – December 2017

Prepared for

Project Board Members

May,2018

Project Card

Project Title:

Active Labour Market Programmes 2

Main Objective:

Active Labour Market Programmes 2 (ALMP2) is a multi-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. 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	<u>New indicators 2016 – 2018 (reintegration phase 2)</u> <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 additional readmitted persons benefit from almps <u>Status 2017:</u> <i>678 repatriated benefitted from almps (2016 -2017)</i>

	<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 2017:</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 2017:</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 2017:</u> Two policy reports published</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 2017:</u> The feasibility study proposed to the Kosovo institutions</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:	1,143,000 euro
Ministry of Internal Affairs (Employment and training project 2016-2018):	1,682,083 euro
Ministry of internal Affairs (Self-Employment Programme)	1,011,000 euro

United Nations Development Programme:	312,500 euro
The Government of the United Kingdom	68,000 euro
Total Project Budget:	5,416,583 euro

Contents

Project Card.....	3
Part A.....	9
(1.a) Executive Summary	9
(1.b) Background information.....	11
(1. c) Expected Results during the next reporting period	Error! Bookmark not defined.
Part B (Detailed Progress Report)	14
(2.a) Reporting on Project Progress.....	14
(2.b) Partnerships, Gender Mainstreaming, Governance and Environment.....	31
(2.c) Challenges and Lessons learned	32
Part C (Quality Assurance)	36
(3.a) Risk Management	36
(3.b) Project Management.....	37
Annex 1. Summary of Financial Report January-June 2016 (EUR).....	39

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 13,310 youth having been part of one of several active labour market programmes implemented in the last decade.

Table 1: Active Labour Market Programmes 2005-2017	Number of beneficiaries	
	2005 - 2016	2017
On-the-job Training	4,429	144
The Wage Subsidy Programme	2,794	132
The Self-Employment Programme	63	
Internship Scheme	1,175	201
Public Works Project	3,194	
Professional Practice in Enterprise for VET students	1,138	
Training at Don Bosco	40	
Total women and men	12,833	477
	<u>13,310</u>	

- *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.
- Three evaluation reports conducted to measure the impact on sustainable reintegration of repatriated persons, the impact on employability through the Wage Subsidy and the Self Employment Programme.
- 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

- **477 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). 31% of the beneficiaries are women (2017 only).

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

- A sustainable collaboration between the University of Prishtina and the Kosovo Institutions created to feed the relevant institutions with evidence during the process of policy development.

Employment fund to fund the implementation of active labour market programmes proposed

- Modalities for the establishment of an employment fund to fund the implementation of active labour market programmes proposed
- *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.

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 2015-2017, 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 2017 (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 activity rate and the employment rate remains to be the lowest in the Western Balkans, 42.8% and 29.8%, respectively. The labour market indicators for women are especially low. The biggest employer in Kosovo remains to be the service sector.

Tabela 2: Të dhënat e tregut të punës në Kosovë, sipas gjinisë	AFP 2012	AFP 2013	AFP 2014	AFP 2015	AFP 2016	AFP 2017
Shkalla e papunësisë	30.9%	30.0%	35.3%	32.9%	27.5%	30.5%
Meshkuj	28.1%	26.9%	33.1%	31.8%	26.2%	28.7%
Femra	40.0%	38.8%	41.6%	36.6%	31.8%	36.6%
Shkalla e pjesëmarrjes	36.9%	40.5%	41.6%	37.6%	38.7%	42.8%
Meshkuj	55.4%	60.2%	61.8%	56.7%	58.3%	65.3%
Femra	17.8%	21.1%	21.4%	18.1%	18.6%	20%
Shkalla e punësimit	25.6%	28.4%	26.9%	25.2%	28%	29.8%
Meshkuj	39.9%	44%	41.3%	38.7%	43%	46.6%
Femra	10.7%	12.9%	12.5%	11.3%	12.7%	12.7%
Shkalla e papunësisë të rinjve	55.3%	55.9%	61.0%	57.7%	52.4%	52.7%
Meshkuj	52.0%	50.4%	56.2%	54.2%	47.2%	48.4%
Femra	63.8%	68.4%	71.7%	67.2%	65.4%	63.5%

The MLSW designed a strategic document 2018-2022 which focuses on improving the efficiency, availability and coverage of its public employment services. On the other hand, MIA designed a **strategic document 2018-2022** which focuses one of its pillars on advancing the sustainable economic reintegration measures for repatriated persons in Kosovo. 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.

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 2017</i>	<i>Indicator status (Fully/Partially/Not achieved)¹</i>	<i>Explain the status of the Indicator</i>	<i>Means of Evaluation/ Verification</i>
At least 300 readmitted persons benefit from almps	Fully achieved	276 readmitted have benefited from almps during 2017. More have been employed than planned, thus the entire budget for almps is committed or spent.	ALMP project database
At least 25% of almp beneficiaries are readmitted women	Fully achieved	<i>32% of almp beneficiaries are readmitted women</i>	ALMP project database
At least 40% of beneficiaries are readmitted non-majority communities	Not achieved	<i>17% of beneficiaries are readmitted non-majority communities</i>	ALMP project database

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 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.

¹ 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 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.

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**. While the head of the Employment agency has been recruited, the project continued to support in structuring the work of departments and establishing communication with the employment offices and vocational training centers around Kosovo.

Finally, **the International Standard Classification of Occupations (ISCO) 08**, an international ILO standard applied to Kosovo is ready for the endorsement of the Socio-Economic Council. ISCO 08 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), the Internship Programme and follow up to the Self-Employment Programme (SEP) 2015-2016. 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).

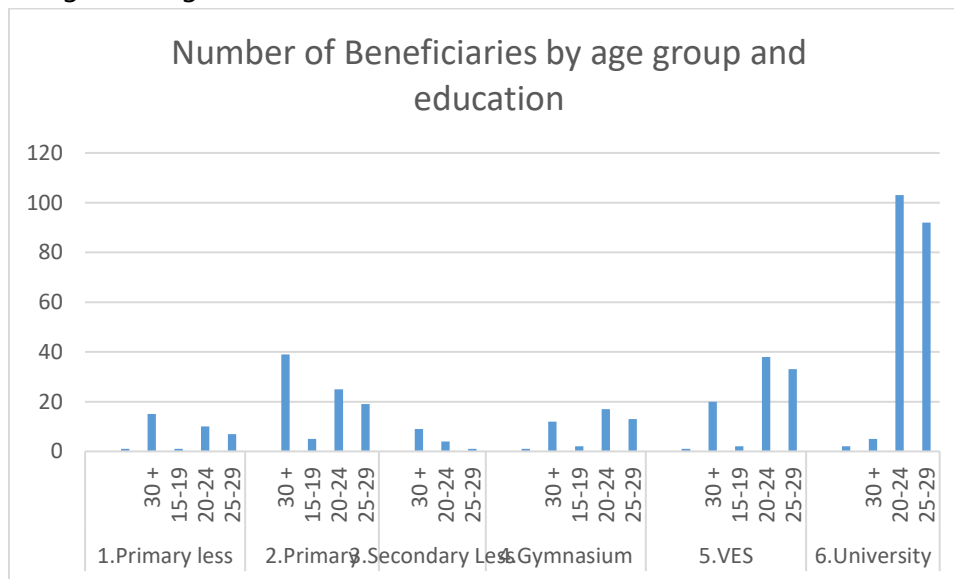
Table 3: Type of economic activity	Number of project beneficiaries (OJT, WS, Internship)
Agriculture, hunting and forestry	8
Mining and quarrying	3
Manufacturing	92
Electricity, gas and water supply	5

Construction	32
Wholesale and retail trade; repair of motor vehicles, motorcycles and personal and household goods	110
Hotels and restaurants	7
Transport, storage and communication	51
Financial intermediation	11
Real estate, renting and business activities	65
Public administration and defense; compulsory social security	8
Education	28
Health and social work	20
Other community, social and personal service activities	37
Total	477

The table below shows the main group of occupations in which the beneficiaries were trained or employed:

Table 4: Main Code of ISCO	Number of beneficiaries
Accounting and bookkeeping clerks	30
Beauticians and related workers	15
Chefs	50
Domestic housekeepers	11
Economists	70
Finance managers	15
General office clerks	7
Hand packers	16
Information and communications technology operations technicians	12
Journalists	1
Kitchen helpers	2
Legal professionals not elsewhere classified	47
Motor vehicle mechanics and repairers	26
Nursing professionals	2
Odd job persons	16
Psychologists	46
Receptionists (general)	1
Sales workers not elsewhere classified	61
Tailors, dressmakers, furriers and hatters	26
Veterinary technicians and assistants	5
Welders and flamecutters	18
Total	477

The graph below shows the number of beneficiaries by age group and education level. The graph shows that the majority of the beneficiaries with university degree, were of the age group of 20-29 years old. This is mainly due to the number of beneficiaries who were enrolled in the internship programmes, right after graduation.



The ALMPs in numbers

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 – December 2017

- 144 women and men gained new skills, mainly in private enterprises, guided by the individual training plan, prepared together with the trainers of the VTCs;
- 36% of the beneficiaries were women;
- 45% of the beneficiaries were young, below 24 years old;
- 24% were from non-majority communities;
- All were repatriated to Kosovo and supported through the reintegration programme;
- 130 private enterprises collaborated in the implementation of the OJT;
- 5% withdrew from the OJT during the programme for various reasons.

What is WSP? One-year employment programme, which subsidized up to 50% of the employee's wage, on a 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 – December 2017

- 132 women and men were employed for a period of one year through the WSP;
- 28% of the beneficiaries were women;
- 30% of the beneficiaries were young, below 24 years' old;
- 9% were from non-majority communities;
- All were repatriated persons to Kosovo and supported through the reintegration programme;
- 99 private enterprises collaborated in the implementation of the WSP;
- 9% withdrew from the WSP during the programme for various reasons.

The project conducted an internal evaluation analyses of the gross impact of wage subsidy programme. Based on survey respondents, about 53% of the beneficiaries were found to be working in the time when the interview was conducted. There were minor differences in the gross impact of WS on employment according to the gender variances whereas there are more significant differences by the age of beneficiaries and by the end date of the programme. When we looked at the quality of employment related indicators, it is interesting to see that only 59% of those employed had employment contract after the programme ended and there are few of those that experienced other changes in the employment conditions such as working hours, position, location etc. (about 19%). Despite these results, a very large portion of beneficiaries (about 82.4%) think that the skills they learned during the support of this programme were valuable, while only about 50% replied that they would not be able to find a job without this support.

What is the Internship Programme? Three months training programme, targeting recent graduates (not more than 1 year), to get them integrated into the labour market, right after graduation, in the same profile as their degree.

The internship programme in numbers for January – December 2017

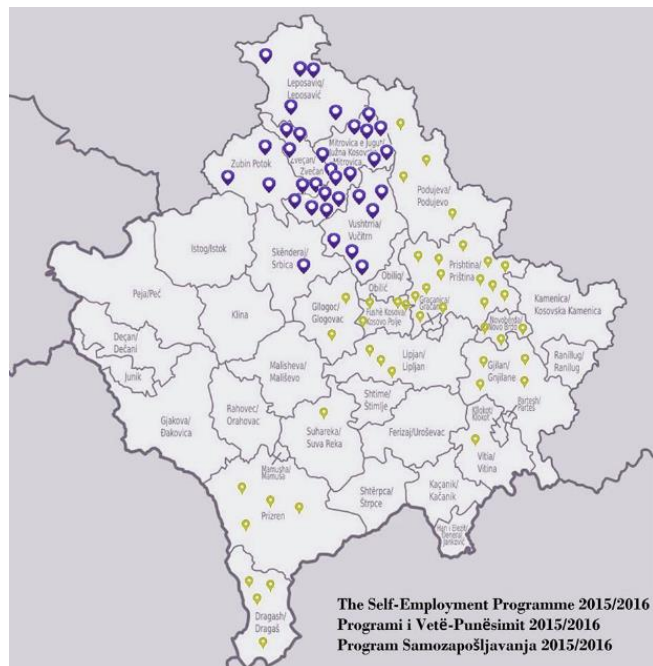
- 202 women and men were trained for a period of three months through the internship programme;
- 71% of the beneficiaries were women;
- 50% of the beneficiaries were young, below 24 years' old;
- 6% were from non-majority communities;
- All were recent graduates of the Kosovo higher education system;

- 195 private enterprises collaborated in the implementation of the WSP;
- 3% withdrew from the internship programme during the programme for various reasons.

Promoting the programmes:

- Stories of beneficiaries
 - Isuf Trena (the Wage Subsidy Programme) <https://undpkosovo.exposure.co/a-journey-of-thousand-miles-begins-with-a-single-step>
 - Beqir Demaj (On-the-job training Programme): <https://undpkosovo.exposure.co/taking-a-leap-heading-towards-a-promising-future>
 - Zebushe (On-the-job training Programme): <https://undpkosovo.exposure.co/from-a-childhood-dream-to-a-lifelong-career>
 - Flora Idrizi (The Wage Subsidy Programme): <https://undpkosovo.exposure.co/a-quest-to-personal-freedom>
 - Beneficiaries of the Internship Programme: <https://undpkosovo.exposure.co/from-an-intern-to-an-employee>

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.



The Programme was initiated through two separate calls for applicants, the first was launched in 2015 in three regions (Prizren, Prishtina, Gjilan) and the second launched in 2016, in Mitrovica. The Programme covered a total of 21 municipalities within Kosovo. The following sets out the overall level of activity to date:

- 534 business ideas were submitted;
- 210 unemployed people were trained in the preparation of business plans and most subsequently submitted business plans to the programme;
- 82 businesses were created and awarded start-up grants;
- € 379,892 was disbursed in start-up grants;
- Around 2,500 hours of mentoring services were provided to all grantees who requested it in order to make their businesses operational and viable.
- 45 jobs were created (in addition to the 82 SEP beneficiaries).

Table 1. Overview of SEP 2015-2016	2016	Business idea applications	Jobseekers trained	Business plans received	Grants and mentorship awarded	Total grant awarded	Total Co- financing
	Total	265	86	79	39	€157,570	€27,320
	Women	110	41	37	16		
	Men	155	45	42	23		
	Minority	89	40	29	19		
	2015						
	Total	269	124	79	43	€222,322	€67,500
	Women	91	48	31	21		
	Men	178	76	48	22		
Minority	93	29	17	9			

Based on the evidence of an external evaluation conducted during September 2018, the SEP can be regarded as a very successful active labour market intervention for the target groups in Kosovo and the outcomes are satisfactory, with very few shortcomings. *The main factors leading to the very successful outcomes* include *inter alia* the following:

- The well-designed operational guidelines and model that are based on a successful model adopted in Macedonia and were adapted for the labour market characteristics in Kosovo. Further adaptations were made for the second round of the SEP in 2016.
- The well-structured partnership approach where the main key actors were all involved.
- The extensive and in-depth beneficiary application and selection processes.
- The ownership and buy-in of the MLSW, to the extent that the SEP operational guidelines and manual are now the standard documents for the establishment of self-employment ALMMs in Kosovo.
- The close and continued involvement of the UNDP ALMP2 project associates who provided and continue to provide extensive management, support and mentoring to the participants and the project partners, as outlined in this report. (This also added to the sustainability of the enterprises supported by the SEP).

It is clear from the business survival rates of 77% and 90% in 2015 and 2016 respectively, that the SEP impact is lasting for that majority that are still in business. The impact is even more significant when one takes into account the profile of the participants that were targeted in accordance with the original project document. Without grant support, it is clear that the SEP would fail, as evidenced by the control group who completed the training but were not funded. Very few of the control group set up a business. While this simple counterfactual exercise was a rather crude measurement, it is still a good indicator of the large and sustained impact of SEP. Cost-benefit estimates were examined and were rather approximate and somewhat crude, but they do indicate quite positive overall financial and cost outcomes for the SEP.

Recommendations are made on measures that need to be taken in order to ensure coordination by MLSW of donors who support start-ups into the future. The SEP model requires comprehensive structural support in order to work successfully. However, it is clear that the PES as they currently stand, feel that they cannot deliver that support just by themselves. The main areas of difficulty for them are the mentoring, monitoring and coaching aspects. This will have a negative impact on sustainability of SEP unless this issue is addressed and is discussed in the recommendations section of this report. Recommendations are *inter alia* also made relating to social assistance beneficiaries who were a target group but the take up from this group was small.

Videos Promoting the programme:

1. Ferdi Kadriu: https://www.youtube.com/watch?v=qrlWiSSM_kU

2. Islam Shyti: <https://www.youtube.com/watch?v=4jxveqLZEsE>
3. Gjyla Krasniqi: <https://www.youtube.com/watch?v=Wfow6Q90Nlg>
4. Harisi and Rina: <https://www.youtube.com/watch?v=7-xstG-LO1o>

Short stories:

1. Ferdi Kadriu: <https://undpkosovo.exposure.co/this-condiment-is-bringing-family-friends-together?more=true>

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 70,000 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.

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 received 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 2018-2020; 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 2018-2020 is revised
5. The Strategy and action plan for sustainable reintegration of repatriated persons in Kosovo 2018-2022.

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.

Based on the conclusion of the impact evaluation report, the experts provided the following recommendations to the MIA which could improve the process of integration of repatriated in Kosovo:

- Vocational training and education for adults must be given attention as sustainable reintegration measures that persons be prepared for labour market and not to be social burden of budget also to the already weak Kosovo budget.
- Pay more attention to addressing of unemployment of returnees in new policies of reintegration, as important measure of economic reintegration. Preparedness for labour market to adapt needs of returnees taking in consideration their capacity and needs for development of skills. Harmonization of labour market research with profiles of vocational training which would assist in employment of returnees.
- Advancement of support measures of vulnerable groups, mobilization of central and municipal structures with social Centers for close support of this category during reintegration. Strengthening of Cooperation with state structures of anti-trafficking. Applying of special programs for rehabilitation of trafficking victims, as additional measures of their reintegration.
- Establish mandatory system of needs assessment and counselling of families returned as important element of reintegration measures. Consider preparedness of individual reintegration plans based on VN. Strengthen cooperation of DRRP with sending states, returned persons to be advised and prepare for return before they return to Kosovo, including those returned forcibly. Establish sustainable system of registration as employer-seekers of all returnees that seek employment. Mediation scheme in employment to guarantee sustainability, whether through forcing with work contracts or find other forms of sustainable employment through this scheme.
- Preparation of a strategy for increasing of municipal capacities based on preliminary needs assessment shall improve situation in municipalities. This can be done in close cooperation between DRRP and MALG and with support of many organizations that assist this process.

- NGOs as AWO, URA2, KKK have holistic approach towards the needs of returnees, including psycho-social counseling, emergency packages, housing etc. it can be taken into consideration review of actual system of distribution of reintegration schemes.
- High number of returnees and budget limitations have made it difficult responding of the state towards the needs of returnees. Coordination of return funds with DRRP shall facilitate addressing of needs of returnees. Identification of possibilities for gaining donations for supporting of sustainable reintegration would be a possibility as well.



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

Target 2017	Indicator status²	Explain the status of the Indicator	Means of Evaluation/ Verification
Activity result 7: Relevant Kosovo institutions supported in the production of qualitative labour market data and analytical reports			

² 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.

An academic journal published in collaboration with the University of Prishtina	Fully achieved	Academic journal published with the UP	Progress reports
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In order to ensure sustainability of results of this output, the project reached to the University of Prishtina to establish a platform of collaboration between the Kosovo institutions and academia. For this, the project supported the establishment of an academic journal, integrated within the Faculty of Economy. The aim of the Journal is to publish, bi-annually (publishing 2 times per year, once in 6 months), scientific articles in the field of economics and social sciences in general, with a general orientation of the researches. The main aim of Journal is to present the latest innovations in the field of economics, but also researches in social sciences could be accepted (related to economic aspects of researches, mainly). Respecting the aim of the Journal, academics, international experts, and public intellectuals are invited to submit papers for this Journal in order to debate economics aspects. In particular, the Journal aims at encouraging and disseminating high-quality research on the International and European economy. To fulfil this aim, the Journal welcomes applied, institutional and theoretical papers on relevant and timely issues concerning the European and International economic debate.

The main objectives of the Journal are to:

- disseminate economic knowledge and the results of economic research
- promote economic research and the advancement of economic knowledge and understanding
- encourage the exchange of ideas and the application of the results of economic research
- provide resources for economists in the areas of education, research, business, industry, government and public policy
- support the education and training of students, teachers and researchers in social sciences in general, with particular interest on economics.

The Journal focuses on the following topics: Economics, Management, Marketing, International Economics, Finance and Accounting, SMEs and Entrepreneurship, Management Information Systems, Business Research Methods, Tourism and Economic Development, Business, Education, and Social Sciences, EU Integration and economics, International Banking, Investments, Econometrics, Public Finance, Business Law, Environmental Economics.



Figure 2: Opening event of the international conference (photo by Majlinda Hoxha)

The first issue was published during November 2017, followed by an international conference organized in collaboration with the Faculty of Economic of the University of Prishtina. The Conference "Knowledge Based Society as a Strategy for Faster Economic Growth: Experiences from EU Countries and Kosova Specifics" was held in Prishtina in November 16-17, 2017. The Conference promoted scientific researches, academic cooperation and networking between researchers in Kosovo and their colleagues from the Balkan region and other European countries. Researchers had the opportunity to present applied, institutional and theoretical papers on relevant and timely issues. The Conference was oriented toward the discussion of contemporary business and economic developments, problems and challenges in the world and was open to both researchers from the academic and professional sphere from public and private entities, from all over the world. The researchers and professionals had a unique opportunity to interact closely and share their knowledge and experiences between them. Moreover, this Conference was a good opportunity for master's and PhD students who were also welcomed to participate.

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	Fully achieved	Report presented to the Kosovo institutions	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 analyses of the Kosovo's economic, labour market and education context show that Kosovo should design medium- and long-term policies which ensure strategic, efficient, effective and sustainable solutions for supporting employment generation. There are two major constraints of the employment policy in Kosovo. The limited fiscal space presents a large constraint to the employment policy. This, coupled with the organizational and human resources challenges, leads to relatively low effectiveness and efficiency of the employment policy in general, as well as of the active labour market measures (ALMMs) in particular. Due to the limited budget expenditures in amid the tight fiscal space, the financing of ALMMs is currently mainly done with the support of donors (with the exception of VTCs which have a relatively stable budget). Spending on ALMPs in Kosovo in 2016 was about EUR 1.8 million, planned to increase to EUR 2.1 million in 2017, which is about 0.04% of GDP. This is low even by the Western Balkan standards, where the average spending is about 0.12% of GDP. The donor support overpasses the national budget expenditures on employment policy. However, despite the relatively developed system of donor coordination, there is a large potential for increasing the effectiveness of the ALMMs (within the current overall spending) through better coordination and streamlining the donor support through one government agency.

Institutional arrangement. Institutionally, the establishment of the EA was a right decision of the Kosovo institutions. Though, it will take some time for the Agency to become fully functional and

to be staffed as planned. There can be a strong learning curve for the EA which can lead to effectiveness gains in the medium-run. Given that currently there are other public institutions (apart from the MLSW) implementing some active programs, it is highly advisable that on long-run the programs are integrated and administered by one agency, and the EA is the best place to do so. This same has to be done also regarding the ALMMs implemented by donors, whenever possible (due to initial capacity constraints of the EA).

The team of experts proposed that the Employment Fund is set within the MLSW. The Employment Fund has two elements: physically, it should be established as a separate Unit within the MLSW and, financially, it should collect all the available funds for financing of ALMPs. The Ministry already has a Department of Labour and Employment, which could easily set the Employment Fund Unit. The initial financial burden for setting up of the fund, in terms of staffing and organization will be negligible as it will employ only three employees. The Employment Fund could immediately undertake a role of a single focal point responsible for the coordination and financing of ALMMs, i.e. as being a single budget line of the MLSW. The Fund, at this stage, is expected to act as a tendering and contracting authority for ALMMs (and potentially for employment policies in a broader sense), as well as providing monitoring and supervision of the ALMMs execution.

The EA needs to further develop its capacities in order to be able to provide more and better-quality services and programs to the unemployed. The quantity and quality of the staff of the PES significantly affects the final outcomes of the job mediation and active policies. Currently, there is a large burden i.e. casework of the PES staff. Whereas the internationally-set appropriate ratio is 1:100 (100 unemployed per one counsellor), the actual ratio in Kosovo is more than tenfold, at 1:1,106.

Planning and use of the funds. The use of the funds of the Employment Fund should follow the priorities set in the National Employment Strategy. Practically, it will be based on comprehensive operational plans/programs for active labour market policies which will be prepared on annual basis, at the latest by December in the current year for the next year. The preparation of the Operational Plans will increase the certainty in the employment policy planning, transparency and will improve the effectiveness of the use of the funds. The Plan would also designate the implementing institutions for all planned ALMMs (including the donor organizations). That will improve the coordination and overcome the problem of duplication of projects. As previously stressed, the long-term aim should be that one institution (the EA) implements all programs as that it will produce efficiency gains. In addition, the Operational plan will help the MLSW and EA to better coordinate the donor support for the ALMPs.

Funding sources. In general, there are two main approaches to financing employment policies, the *insurance-based* (social-security-fund) system and *welfare (tax-financing)* system. The choice of the financing system is important as it can affect the distributional effects of the system and the

justice. Based on the experience of the other countries in the Western Balkan (countries of similar development and institutional context), as well as the EU countries (which resemble the future of Kosovo), we suggest a choice between two funding options. The two options (i.e. calculations) are based on collection of about EUR 4.5 million in 2018 (the funds should increase by about 7% per year), which is the current estimated spending on ALMPs by all government institutions.³

Introduction of an unemployment insurance contribution of 0.2% of the gross wage paid by employers. There are two basic arguments for this option: the labour taxes in Kosovo are very low in comparison with the WB countries and the EU countries. While the tax wedge should be kept at a low level (as high tax wedge may discourage employment), it is at very low levels which are harmful for the social security of workers. Additional argument for introduction of social contributions stems from the comparatively low share of labour taxes and contributions in total commercial profits in Kosovo relative to the countries in the region and the EU countries. This implies that there is a room to increase the labour taxes without hurting employers. Based on calculations, a small contribution rate of 0.2% paid by the employers (on behalf of workers) will ensure sufficient and sustainable resources for funding of the Employment Fund, at least in the first years of operation. Then, as financing needs of the current ALMMs increase, and as new measures are potentially added in the portfolio, the percentage may increase to reach levels common for the neighbouring countries.

Introducing stable, general tax financing. This option implies that policymakers should establish a rule for the share of overall budget (or from the revenues collected from particular tax) that should be spent on ALMMs. In this option, we propose that 1.7% of the direct taxes (personal income tax and profit tax) are earmarked for the financing of the Employment Fund.

Although the first option is the only long-term solution (given the build-up of Kosovo's system and institutions in the EU-related manner), it may seem less feasible in the short- to medium-run. Hence, UNDP suggests that, in the following 2-3 years, the Government focuses its efforts on establishing the Employment Fund within the MLSW (without a necessary increase of the funding), and on re-directing all expenditures for ALMMs and all active programs toward the Employment Fund and the EA. In the meantime, it should carefully plan the introduction of the unemployment insurance benefit.

³ There are no readily available and detailed information on the spending on ALMMs by each government institution.

(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 the University of Prishtina, to ensure a stronger collaboration between the policy making and evidence producing institutions. This partnership could support a more sustainable evidence based policy making in the future.

- ***Governance***

The implementation of the ALMP2 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**

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, the Employment Agency was functionalized and the director has been selected. 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 measures 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

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

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 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. The feasibility study of the Employment Fund has been conducted.
Limited coordination among organizations	L	H	The project has provided the MLSW with technical assistance at the	There is still a need of more coordinated approach in the implementation process

working in the field of employment			Minister’s cabinet level to ensure that projects in the field of employment are coordinated and are in line with the Employment Policy document.	of employment projects. There has been more than one occasion when it was noticed that projects are overlapping in activity implementation.
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.

(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, 3 Project Associates, Finance and Admin Associate, a Project Assistant, and a Visibility and Outreach Assistant. The ALMP team works under the direct supervision of the Project Manager. The line supervisor of the ALMP team is the Programme Analyst/Programme Coordinator.

The Project Board is facilitated by the UNDP Deputy Resident Representative⁴, comprising of one or more representatives from the Government of Finland and representatives from Ministry of

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

Labour and 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.

- ***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-December 2017 (EUR)

Donor	Total Budget Planned	Committed	Disbursed	Total Expenditures	Balance	UTL
Gov. of Finland	325,175.59	7,300.00	317,875.59	325,175.59	-	100%
Gov. MLSW	72,320.00	15,800.00	55,850.42	71,650.42	669.58	99%
Gov. MIA	377,289.51	37,111.44	340,178.09	377,289.53	(0.02)	100%
Helvetas	45,441.00	7,530.56	8,451.93	15,982.49	29,458.51	35%
Realized Loss	-	-	248.51	248.51	(248.51)	
Realized Gain	-	-	(113.00)	(113.00)	113.00	
TOTALs	820,226.10	67,742.00	722,491.54	790,233.54	29,992.56	96%