United Nations Development Programme

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I. Acronyms

ALMP – Active Labour Market Programmes for youth
ALMP2 – Active Labour Market Programmes 2
DLE – Department of Labour and Employment
EMIS – Employment Management Information System
EYE – Enhancing Youth Employment
FYROM – Former Yugoslav Republic of Macedonia
KAS – Kosovo Agency for Statistics
MIA – Ministry of Internal Affairs
MLSW – Ministry of Labour and Social Welfare
OJT – On-the-Job Training
PES – Public Employment Services
PMF – Performance Management Framework
PWD – People with Disabilities
RAE – Roma, Ashkali and Egyptian
RFP – Request for Proposal
REC – Regional Employment Centres
SDC – Swiss Agency for Development and Cooperation
TOR – Terms of Reference
UNDP – United Nations Development Programme
UNV – United Nations Volunteer/s
VTC – Vocational Training Centres
II. Executive Summary

Building on the successful implementation of the Active Labour Market Programmes for Youth (ALMP) project1, UNDP, in the second phase of the project, is focusing more on strengthening capacities of the local and central institutions to provide inclusive employment services, providing them with tools and mechanisms and supporting them in evidence-based decision making to ensure sustainability of the intervention in the post-project period. In this way, it is estimated that the number of jobseekers and employers being served by Public Employment Services (PES) will increase in line with the targets set by MLSW in its strategic documents.

ALMP2 has fully achieved almost all its targets for 2014. Some of the main achievements during the reporting period include:

- **Capacity development towards reforming the Public Employment Services in Kosovo**2:
  - Operational guidelines for the implementation of the self-employment programme, as an active employment measure, were drafted and presented to the MLSW;
  - MLSW was supported in establishing a unit responsible for delivering continuous training programmes for Public Employment Services;
  - Department for Labour and Employment was supported with technical assistance in developing the operational and organizational framework of the Kosovo Employment Agency;
  - Study visits to Former Yugoslav Republic of Macedonia (FYRoM) and Albania were organized within the framework of establishing the Employment Agency and designing the self-employment programme;
  - MLSW was supported to develop a common annual work plan for 2015. All the planned activities of the Labour and Employment Department, irrespective of the supporting organisation/donor are embedded in the plan allowing MLSW to better coordinate and monitor the work towards improvement of PES;
  - MLSW was supported in designing Performance Management Framework (PMF) for PES and integrating it into the Employment Management Information System;
  - The brand book and communication strategy for the Employment Agency were developed and presented to MLSW, to be endorsed in 2015;

- **Provision of skills development opportunities to young women and men active jobseekers**
  - 199 young women and men jobseekers were supported with skills development opportunities in private enterprises;

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1 Active Labour Market Programmes for Youth, during 2005 – 2013, worked closely with the public employment services, the private sector and other labour market related institutions, aiming at enhancing employment opportunities for young women and men, long-term unemployed jobseekers. As a result of joint efforts, through the design and implementation of several active employment measures, UNDP has equipped about 11,241 young jobseekers with the skills needed in the labour market, providing equal opportunities to women, minorities and other disadvantaged groups. Based on external evaluations conducted, about 50% of the beneficiaries found a sustainable job.

2 For UNDP, all references to Kosovo are made in the context of UN Security Council Resolution 1244 (1999)"
• **Provision of support to improving quality of labour data in Kosovo and improve evidence-based policy making**
  - The Kosovo Agency of Statistics was supported with technical assistance in ensuring higher quality of analysis in the *Labour Force Survey 2013*;
  - A roundtable to discuss *Labour Market Statistics for Evidence-based policy making* with relevant stakeholders was organized, including Kosovo institutions and civil society organizations.

The activities are implemented in close cooperation with other donor-funded projects, such as the Swiss Agency for Development Cooperation (SDC)-funded project - Enhancing Youth Employment (EYE), European Union (EU)-funded project - Enhancing Employment for Vulnerable Groups (EEVG), EU-funded KOSVET 6 project, and the GIZ funded project related to labour market policies. Several interventions were implemented jointly by the ALMP2 and EYE projects, such as the establishment of the Training System and the development of the PMF.

ALMP2 team has also been part of a working group mandated by the MLSW's permanent secretary to work mainly on secondary legislation as part of the PES reform. One of the main challenges of the project has been the timely establishment and functionalization of the Employment Agency. According to the Law on the Employment Agency, it is foreseen for it to be functional by the 1 January, 2015. But, the MLSW has postponed the finalization of its secondary legislation until the 31 March 2015, partly due to the political developments in Kosovo during the last part of 2014.

The priorities of ALMP2 activities during 2015 will include to support the MLSW in establishing and functionalizing the Kosovo Employment Agency; conducting the feasibility analysis for the establishment of the Employment Fund and developing the implementation plan for the model chosen; properly designing a National Employment Programme, which takes into consideration the support provided by international organizations/donors and the MLSW's own budget; piloting the self-employment programme, by extending the varieties of active labour market measures, and addressing long-term unemployment among young women and men.
III. Situational Background

Active Labour Market Programmes 2 (ALMP2) project has been designed together with the Ministry of Labour and Social Welfare (MLSW), in line with their programme priorities. ALMP2 is a three years project and all its activities are embedded in the Action Plan 2014 – 2016 of the Sector Strategy 2014 – 2020 of the MLSW. The project has also been prepared in good collaboration with the Embassy of Finland in Prishtina taking into consideration the findings and the recommendations from the Appraisal report of the ALMP2 Project Document, conducted by an external Finnish consultancy company ‘NIRAS Finland Oy’, contracted by the Ministry for Foreign Affairs of Finland. The project is implemented together with the Ministry of Labour and Social Welfare as main project partners, thanks to the generous funding of the Ministry for Foreign Affairs of Finland.

The Labour Force Survey 2013 (LFS) showed the main labour market indicators remain unchanged. In 2013, the unemployment rate was 30.0%, which is slightly lower compared to the 30.9% unemployment rate recorded in 2012. However, this decrease in the unemployment rate had little or no effect on the employment situation of women, youth or long-term unemployed. We should also note that even though the unemployment rate has slightly fallen, the number of unemployed has increased by 9,129 people from 2012 to 2013. It is concerning that youth unemployment rate has increased particularly among young women, from 63.8% to 68.4%, also affecting the overall youth unemployment. Similarly, the long-term unemployment rate has increased by 9.1%. The activity rate has increased by 3.6 % and is also a result of the combination of an increase in the number of active job-seekers and of some of the job-seekers actually getting employed.

Thus, the main characteristics of unemployment is Kosovo remain unchanged, i.e. unemployment rates tend to be higher among youth, women, long-term unemployed, and those with primary or no education. Table 1 shows some of the key figures of LFS 2013, compared to LFS 2012. Additionally, KAS will continue to produce LFS reports, and ALMP2 will provide through technical support.

Labour data will be enriched through two research initiatives which will be implemented during 2015. The first will be conducted by the World Bank on the skills needs analysis through and employer survey and a household survey encompassing all sectors in Kosovo. While, ALMP2 will partner with DEED2 project to conduct an employer skills needs analysis for six sectors in Kosovo, namely: tourism, ICT, food processing and packaging, metal processing, textile, wood processing. These two surveys will complement each other, and provide further analysis to be fed into the evidence based policy making initiatives of the MLSW and other organizations.

<table>
<thead>
<tr>
<th>Table 1: Kosovo labour market data, by gender</th>
<th>LFS 2012</th>
<th>LFS 2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unemployment rate</td>
<td>30.9%</td>
<td>30.0%</td>
</tr>
<tr>
<td>Men</td>
<td>28.1%</td>
<td>26.9%</td>
</tr>
<tr>
<td>Women</td>
<td>40.0%</td>
<td>38.8%</td>
</tr>
<tr>
<td>Participation rate</td>
<td>36.9%</td>
<td>40.5%</td>
</tr>
<tr>
<td>Men</td>
<td>55.4%</td>
<td>60.2%</td>
</tr>
<tr>
<td>Women</td>
<td>17.8%</td>
<td>21.1%</td>
</tr>
<tr>
<td>Employment rate</td>
<td>25.6%</td>
<td>28.4%</td>
</tr>
<tr>
<td>Men</td>
<td>39.9%</td>
<td>44%</td>
</tr>
<tr>
<td>Women</td>
<td>10.7%</td>
<td>12.9%</td>
</tr>
<tr>
<td>Youth unemployment rate</td>
<td>55.3%</td>
<td>55.9%</td>
</tr>
<tr>
<td>Men</td>
<td>52.0%</td>
<td>50.4%</td>
</tr>
<tr>
<td>Women</td>
<td>63.8%</td>
<td>68.4%</td>
</tr>
</tbody>
</table>

Labour Force Survey 2013

3 Labour Force Survey 2013
Through a comprehensive and scaled-up approach, the overall goal of the ALMP2 intervention is to build-up on recent UNDP achievements in addressing Kosovo’s labour market challenges, as well as to pave the way for long-term and sustainable local mechanisms that are capable to address such challenges on their own. The projects’ main objective is to improve the capacities of the labour market institutions to design relevant gender responsive policies at central level and to deliver integrated services at local level, focusing on the most vulnerable groups among the unemployed. To this end, the intervention 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:

a) 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 by providing further technical support to enhance the capacities of implementing institutions.

b) The enhancement of the labour market knowledge base in order to ensure evidence-based decision making among labour-market actors.

c) Identifying feasible ways for Kosovo to establish an Employment Fund, in order to ensure sustainability in the financing and implementation of active employment measures.

The project strategy closely corresponds with existing institutional strategies. The project is in line with the outcomes envisaged under the Kosovo Strategy for Youth 2013 - 2017, focused on achieving the policy objective as specified in the Kosovo Youth Strategy under 3.3. ‘Establishment of opportunities for employment of young people through training programs and financial support for young entrepreneurs’. The project also corresponds to the Strategic Objective number 1 of the Sectorial Strategy for Employment and Social Welfare 2014 – 2020: Increased employment rate and alignment of Vocational Education and Training to the labour market needs, as well as Strategic Objective number 3: Services offered by Ministry of Labour and Social Welfare are in line with the legislation, systems and standards of the European Union”.

Overall, the project strategy has been designed to contribute towards achieving the outcome of the Kosovo *Programme Action Plan 2011 - 2015: By 2015, vulnerable women and men (returnees, IDP, minority groups, PWD, youth) have more economic and livelihood opportunities, and benefit from better public and social services. 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 is implemented in compliance with the Gender Equality Law in Kosovo, specifically articles under section: Employment and Education

The project is also in line with the Finland’s Development Policy Programme published in 2012. The project contributes to the main 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 the activities.

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4 The strategy was developed during the second half of 2013, and UNDP, together with other international organizations such as ETF, World Bank, GIZ, UNICEF, etc., actively contributed to the preparation of the Sector Strategy 2014-2020 and its Action Plan 2014-2016 (through sectorial working group meetings and local expert engaged)

5 The Law on Gender Equality in Kosovo no 2004/02, Section 13 and Section 14
IV. Evaluation of Progress during the Reporting Period

The main project objective is to improve the capacities of the labour market institutions to design relevant gender-responsive policies at the central level and to deliver integrated services at the local level focusing on the most vulnerable groups among the unemployed.

OUTPUT 1: Vulnerable youth across Kosovo – with a particular focus on women - receive integrated employment services

Public Employment Services in the MLSW are currently undergoing several reforms. During 2014, ALMP2 supported the MLSW in its efforts to establish the Employment Agency, as an independent institution responsible for delivering employment services and vocational trainings. Even though it was planned to have the Agency functional from 1st of January 2015, MLSW has postponed this process for reasons outside the control of the project. Postponing the establishment of the Employment Agency will have an impact in the activities implemented by the project in the following year, considering that some activities are related directly to the Agency.

Furthermore, the Kosovo authorities and MLSW endorsement of the Sector Strategy 2014-2020 and the Action plan 2014-2016 of MLSW is crucial in ensuring political commitment and technical will in achieving the objectives set by the MLSW for the three years period. The activities in the Action Plan are directly interlinked with ALMP2 activities as well.

ALMP2 also supported the MLSW in setting up a systematic technical coordination meeting with the donors/development organisations currently working in the labour market sector, which support the MLSW to implement its Sector Strategy 2014-2020, and Action Plan 2014-2016. This has led to closer collaboration and coordination of the plans and activities of the MLSW Department of Labour and Employment.

Activity Result 1: Human Resource capacities of PES and VTC improved.

The work processes of the Department of Labour and Employment (DLE) within the Ministry of Labour and Social Welfare (MLSW) have been extensively driven by donor-funded projects. Earlier, this has led to unsustainable capacities within the staff of Public Employment Services (PES), especially the counsellors and the Vocational Training Centres (VTC). The MLSW Sectorial Action plan 2014-2016 has identified the development of an internal training system as a priority (Activity 1.1.3 in MLSW Sectorial Action Plan). In collaboration with the Swiss Development Cooperation (SDC)-funded project - Enhancing Youth Employment (EYE), ALMP 2 supported MLSW to design a training system that will ensure continuous delivery of training programmes to PES and VTC.

A training needs analysis of the current PES staff was conducted and a cost effective training model for PES in Kosovo has been proposed through external international expertise. The focus of the training model is on minimising training costs to the MLSW/PES and maximising the existing staff resources in order to deliver the training over the long-term while maintaining high training standards. This training model and framework will allow the MLSW and the new Employment Agency to manage the human resources development in the PES/VTCs and will inter-alia govern any future project-based funding proposed for delivery of training in the PES. Such project-based initiatives will have to comply and be coherent with the training model and framework. From now on, staff training will be strategically driven by the MLSW and the PES and not be project-driven, as in the past.

As a follow up, in order to complete the intervention and based on the model proposed, the training modules, the online training system and the Human Resource Development manual will be further developed by the SDC-funded EYE project in close cooperation with ALMP2. During joint meeting between projects and MLSW, it has been agreed that the EU-funded EEVG project will be developing the training modules on job search for
people with disabilities, and the modules will be integrated in the Internal Training System developed with ALMP2 support.

MLSW, in its strategy, has also prioritized expanding its active labour market measures. UNDP is supporting MLSW’s efforts in designing and delivering the self-employment programme. The operational guidelines on implementation of the programme were drafted using international expertise and in close collaboration and consultation process with MLSW and other relevant stakeholders in the institutions, private sector and civil society. The programme is designed to be competition-based in order to get the highest possible return on investment. The selection process aims to ensure transparency and fair competition and support the best and most innovative ideas and business plans so as to strive and maximise the success rate of the newly established businesses, aiming at achieving sustainable results. The draft guidelines are currently being reviewed by MLSW and all the other involved stakeholders and are expected to be endorsed in the beginning of 2015.

UNDP, together with the EYE project, organized study visits in Former Yugoslav Republic of Macedonia (FYRoM) and Albania in order to draw from their experiences in functionalizing the Employment Agencies and delivering the self-employment programme. The study visits were organized in close cooperation with UNDP FYRoM and SDC in Albania. Both countries had earlier divided the institutions which design the employment policies from the ones implementing them. In both countries, the respective institutions design the annual employment programme, while the Employment Agencies are responsible for its implementation. Participants of this study visit were representatives of the DLE and employment counsellors within the MLSW.

Finally, aiming at improving the human resource capacities within the DLE, UNDP supported MLSW in setting up regular coordination meetings and dialogue among all the relevant actors at the technical level. As a result, the projects currently supporting the MLSW in the labour market sector have a common annual work plan for 2015 and have agreed to hold quarterly technical meetings. A common annual work plan will help the DLE to better coordinate and monitor the work done in an accountable manner.

Activity Result 2: Business processes to enhance the ‘Integrated concept for service delivery’ in offices where physical infrastructure allows improved

The study “Systemic Review of Public Employment Services (PES)”, which has collected and analysed comparable information of Kosovo and two countries in the region countries, as well as two EU countries, concerning the organization of PES, services they provide, and tools they apply to serve their clients (jobseekers and employers), has identified that an important part of PES reforms is the development of a PES’ PMF. MLSW has also identified the development of the PMF as a key activity in the Sector Strategy 2014 - 2020.

As a response to this, ALMP2, together with EYE project, have proposed a PMF model for MLSW which was endorsed by the MLSW. According to this model, PES in Kosovo should establish monitoring and control mechanisms in order to systematically monitor the progress made towards the achievement of agreed targets. The information that will be collected from the national, regional, and local levels of PES, as well as from the individual/counsellor level, will be gathered and analysed by a single system, namely the PMF, providing the best available point of data comparison in regards to PMF. The existing Employment Management Information System (EMIS) cannot monitor the performance of PES staff, but can only produce basic reports. Thus, following the endorsement of the PMF model, UNDP has commissioned a private sector company to develop the PMF and integrate it into the EMIS by adding new modules to the system. The PMF results will also provide information that will be useful to the training unit responsible to manage the training system and

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6 Employment Management Information System (EMIS) is an existing system used by the Ministry of Labour and Social Welfare (MLSW) for the registration of job seekers and employment management. This system enables the registration of job seekers according to different criteria, changing the status of the job, training and registration of trainees, registration of employers, job vacancy registration, job-matching between the jobseeker and potential employer, and many other functions.
organise the delivery of training and re-training sessions to employment counsellors based on their individual needs to enhance performance.

The Law on the Employment Agency (Law no.04/2015) entered into force on 1 January 2015. In the law it is envisaged that the MLSW develops the Regulation defining the operational and organizational structure of the Agency in line with EU’s best practices (Law no.04/2015, Art.5.2). ALMP 2 supported the working group mandated to develop the secondary legislation that will regulate the organisational and operational framework for PES Agency with national and international expertise. Based on Law on Employment Agency, the working group proposed full independence of the Employment Agency, as foreseen in the law, concerning its budget planning and execution, procurement and human resources process. However, this was not endorsed by the MLSW, and another working group was mandated to change the proposed regulation. Currently, MLSW has extended the finalization of this regulation to 31 March 2015. In the past year, ALMP2 planned to support the MLSW with technical expertise in setting up and practically functionlizing the Employment Agency. However, due to the aforementioned delays in this process, the project requested and received endorsement from the Project Board Members to postpone the activities to 2015.

**Activity Result 3: Training and employment opportunities to vulnerable long-term unemployed jobseekers provided**

Active labour market measures are being implemented in close cooperation with the Ministry of Labour and Social Welfare and the private sector. During this period, with the project’s support, 199 long-term jobseekers started and completed on-the-job training programmes. The large majority of the beneficiaries were placed in the private sector. During 2014, the MLSW started the implementation of this measure according to the unified operational guidelines, developed by the MLSW mandated working group with the support from ALMP and EU funded project Kosvet 6. The unified implementation guidelines for three employment measures – On the job training, Wage Subsidy and Internship - were endorsed by the MLSW in June 2014. ALMP organized induction meetings with the Employment Offices to brief them on the new operational guidelines, and supported them throughout the process. The main objective of these activities was to enhance the capacities of the employment offices in implementing the measure according to the unified processes, which ensures sustainability of results

### Table 2: Active labour market measures implemented in 2014

<table>
<thead>
<tr>
<th>On-the-Job Training (OJT)</th>
<th>2014</th>
<th>%</th>
</tr>
</thead>
<tbody>
<tr>
<td>Women</td>
<td>114</td>
<td>57%</td>
</tr>
<tr>
<td>Men</td>
<td>85</td>
<td>43%</td>
</tr>
<tr>
<td>People with disabilities</td>
<td>14</td>
<td>7%</td>
</tr>
<tr>
<td>Minorities</td>
<td>27</td>
<td>14%</td>
</tr>
<tr>
<td>Beneficiaries of Social Assistance</td>
<td>29</td>
<td>15%</td>
</tr>
</tbody>
</table>

Source: ALMP project database

ALMP2’s 2014 achievements under this activity results are as follows:

- Skills development opportunities were provided to 199 young women and men (target 200) around Kosovo;
- 182 private enterprises signed an MoU to provide training to young jobseekers;
- 57% of the beneficiaries were women;
- 7% of the beneficiaries were people with disabilities;
- 14% were from non-majority communities, including Serbs, Roma, Ashkali, Egyptians, Bosniaks, and Turks;
- 56% of the beneficiaries were from rural areas;
- 154 (77%) of the beneficiaries have completed only primary education or have no education at all;
- All of the approved beneficiaries (100%) were monitored by the ALMP2 project team and VTC trainers;
- 99% of project beneficiaries (197) were between 15 - 29 years old;
• All the beneficiaries have been insured with workplace injury insurance, in line with the requirements in the unified operational guidelines for implementation of the on-the-job training measure.

During the reporting period, ALMP2, in cooperation with the UNV office, is utilizing its network of experts interested to provide technical support to businesses in Kosovo. During a two-week visit in May 2014, the expert provided hands-on training to Mati Comp. in Kijev. The assistance focused on providing expertise in product diversification, exporting and strategic planning. The support is organised in cooperation with the UNV office in Kosovo and the international NGO Seniores Italia. ALMP project has had several similar cooperation in the past, providing additional technical support to private partner companies that offer training placements for vulnerable jobseekers. The aim of this support is to help the companies to improve their line of products/services so they can grow, thus generating new jobs in the future.

**Activity Result 4: Awareness on PES Services among Kosovo’s labour market is increased**

Towards supporting the MLSW in its preparation phase to establish the Employment Agency, UNDP is supporting it in designing a communication strategy, branding its services, and implementing a social media campaign once the agency is established. UNDP commissioned Entermedia and Project Graphics to implement these activities in cooperation with the MLSW, and the communication campaign and the brand book for the Agency have already been developed. The logo of the Agency has been selected (image above) and the brand book has been endorsed by MLSW. The implementation of the communication strategy and the social media campaign will commence after the Employment Agency becomes operational.

At the same time, ALMP2 has increased the visibility of its activities though its Facebook page[7] and UNDP Kosovo page[8]. On its Facebook page, ALMP2 is developing individual stories of young women and men and their experiences in participating in on-the-job training programme. These stories try to emphasise the impact that active measures have in creating employment opportunities for jobseekers who had been long-term unemployed. Additionally, other stories are highlighting the impact that this measure has in assisting companies to recruit well-trained staff. Other stories promote various activities of the project which are intertwined with the activities and work of other related projects of UNDP.

**Impact of Output 1 activities**

One of the major aims of ALMP2 is to transfer the knowledge and business processes established through ALMP1 to PES. During this period, ALMP2 has worked closely with the employment counsellors and the heads of the employment offices to mentor them in the implementation of the active labour market measures according to the unified processes and criteria, as agreed with the MLSW. ALMP2 has also contributed to expanding the cooperation between the Employment Offices, the Vocational Training Centres and the private enterprises.

During this period, the project staff and the employment counsellors focused on supporting the vulnerable groups to complete the OJT programme. Only nine beneficiaries withdrew from the programme[9]. The women beneficiaries usually report that their husbands or father do not allow them to participate in the training, or that they get married; beneficiaries of social assistance report that they need to take care of their families; and there have been some cases when the beneficiaries consider the training allowance very low.

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**Table 3: Overall progress achieved against identified targets and indicators for Output 1**

<table>
<thead>
<tr>
<th>Indicator (from AWP)</th>
<th>Target (from AWP)</th>
<th>Progress against the target's indicators for Output 1 for the reporting period</th>
<th>Indicator status (Fully/Partially/Not achieved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>number of unemployed youth benefiting from ALMPs</td>
<td>200 youth (15-24) benefit from almps</td>
<td>This year the project supported 199 beneficiaries to develop skills through the on-the-job training scheme. Each region has received a specific quota, and worked closely with the project team to identify the candidates and the partner private companies.</td>
<td>Fully achieved (199 beneficiaries)</td>
</tr>
<tr>
<td>% of almps beneficiaries who are women</td>
<td>30% of almp beneficiaries are women</td>
<td></td>
<td>Fully achieved (57% of beneficiaries are women)</td>
</tr>
<tr>
<td>% of almps beneficiaries from minority communities and people with disabilities</td>
<td>15 % of almp beneficiaries are people with disabilities and from minority groups</td>
<td></td>
<td>Fully achieved (20% of beneficiaries are from minority communities and people with disabilities)</td>
</tr>
</tbody>
</table>

**OUTPUT 2: Enhanced knowledge base on labour market leading to evidence-based gender sensitive decision making**

**Activity Result 5: Relevant Kosovo institutions supported in the production of qualitative labour market data and analytical reports**

UNDP supported the Kosovo Agency for Statistics to process and analyse the LFS data collected in 2013 in order to produce the Labour Force Survey (LFS) report for 2013, providing up-to-date and reliable data needed for Kosovo Institutions to enable evidence-based decision making. A consultant was hired who cleaned the data in Kosovo Labour Force Survey 2013 prepared a final LFS database with all derivative LFS variables and prepared tables with standard ILO Labour Market Indicators. The activity was implemented and finalized together with The World Bank, who continues to provide support to KAS on LFS and Household Based surveys.

Together with the World Bank and Kosovo Agency for Statistics, ALMP 2 organized the second roundtable on Labour Market Statistics for Evidence-based policy making which served to discuss the results of the Labour Force Survey 2013. Participants in the roundtable highlighted the urgent need to address two of the most concerning issues in the labour market, namely the lack of employment opportunities for young jobseekers and the long-term unemployment.

During the reporting period, ALMP 2 met with relevant representatives at KAS in order to plan the support towards producing enhanced establishment surveys, which aims to analyse the skills need gap in specific

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10 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.

sectors, especially in agriculture. The discussions in these meetings revealed several issues which lead to postponing the finalization of the activity into 2015. Among the issues being that the current establishment survey is conducted with a very small number of enterprises and is done on quarterly basis, both being issues when it comes to conducting a comprehensive skills needs survey. In the meantime, ALMP2 is seeking solutions to implementing this activity, and achieving the intended results. The Project Board Members approved to postpone this activity to 2015 as well as the activity 5.3. *Organisation of public discussions with businesses, institutions, media and other relevant groups to disseminate knowledge on labour market and discuss findings of report*, which is directly linked with the outcomes of the activity 5.2. The common proposed methodology of ALMP2 and DEED2 is presented to the Project Board Meeting for approval.

Additionally, ALMP2 has identified that the World Bank and IOM are planning to conduct a skills needs survey. Towards better coordination and avoiding duplication of work, ALMP2 is currently working closely with both organizations to develop a common strategy in implementing this activity in 2015, to ensure the work will be complementary.

**Impact of Output 2 activities:**

Through the activities of this output, UNDP was able to support KAS in producing better quality labour market statistics. Following the publication of the LFS 2013 report, UNDP together with the World Bank organized a roundtable discussion focusing on fostering the debate about the importance of labour market statistics in evidence-policy making. These activities are laying the foundation for a sound policy debate which is involving all the relevant stakeholders and also improving the knowledge on labour market statistics.

<p>| Table 4: Overall progress achieved against identified targets and indicators for Output 2 |</p>
<table>
<thead>
<tr>
<th>Indicator (from AWP)</th>
<th>Target (from AWP)</th>
<th>Progress against the target’s indicators for Output 2 for the reporting period</th>
<th>Indicator status (Fully/Partially/Not achieved)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of analytical reports produced</td>
<td>At least one analytical report is produced</td>
<td>KAS has published and launched the LFS 2013, with the support of ALMP2 and the World Bank</td>
<td>Fully Achieved</td>
</tr>
<tr>
<td>Number of policy analysis and briefs produced</td>
<td>At least 1 policy analysis and briefs are produced</td>
<td>The activities related to policy briefs have been postponed to 2015 due to the request from KAS</td>
<td>Not Achieved</td>
</tr>
<tr>
<td>Number of public discussions organized</td>
<td>At least 1 public discussion is organized</td>
<td>A roundtable was organized on 9 December, joint activity with KAS and the World Bank.</td>
<td>Fully Achieved</td>
</tr>
</tbody>
</table>
V. Gender Mainstreaming

The number of women jobseekers benefiting from the project is at the desirable level, ensuring improvement of their longer-term employment prospects through training in private-sector enterprises. The project continues to use instruments, identified earlier as best practices, to ensure equal participation of young women in the programme. Such instruments entail the introduction of quotas at the regional basis linked with the performance of the employment offices to the achievement of such targets. The quota is monitored through continuous meetings of the project staff with employment offices during implementation process to ensure the target is achieved. The project experience, and other experiences of UNDP implemented projects in the region, especially in FYRoM, have shown that with the right comprehensive approach, young unskilled women in rural and urban areas are reached and are provided assistance in skills development, to consequently ease the process of entering the labour market for the first time. The participation of women has thus exceeded the target (having been at 30%) and reached 57% during 2014. This increase is attributed to the project’s deliberate efforts to provide equal opportunities to women who are faced with discriminatory practices whilst searching for a job.

To ensure appropriate responses to gender equality, especially in line with the UNDP’s Eight Point Agenda (UNSCR 1325) - specifically point 6, Ensure gender-responsive recovery - and in line with the UNDP Gender Equality Strategy Implementation, ALMP project will ensure that it provides equal training opportunities to men and women jobseekers and will encourage disadvantaged young women to undergo training, enhance their skills and therefore increase their employment prospects. The project is implemented in compliance with the Gender Equality Law in Kosovo, specifically articles under section heading: Employment and Education.
## VI. Risk Management

<table>
<thead>
<tr>
<th>Challenges during implementation</th>
<th>Measures</th>
<th>Responsible party</th>
<th>Management Response</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Output 1.</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1. Lack of systematic coordination between projects of different development agencies</td>
<td>The MLSW, respectively the Department of Labour and Employment should take the lead for organising regular meetings with all actors/projects involved in the area of training and employment. This would ensure better coordination, cooperation and will incentivize synergies.</td>
<td>MLSW (Internal)</td>
<td>The project has supported the DLE in organising the regular meetings, led by MLSW. During these meetings, representatives of various projects working in the field of employment discussed the activities to be implemented in the following months, and found areas of collaboration and synergies for each activity. <strong>Result:</strong> The DLE has a common annual work plan for 2015, including the activities of all donor-funded projects.</td>
</tr>
<tr>
<td>2. A considerable number of unemployed are formal Vocational Education graduates registered with PES. The project targets the most vulnerable in the pool of unemployment, thus eligibility criteria set exclude the possibility of VET graduates to benefit from the project.</td>
<td>Considering the request from the local level, the project shall consider supporting this new target group in the next phase of the project implementation.</td>
<td>UNDP MLSW (Internal)</td>
<td>The project will discuss with DLE and the regional employment centre directors about the criteria to be applied during 2015. <strong>Result:</strong> ALMP2, in consultation with DLE and the Employment Offices, has agreed that, during 2015, the beneficiaries of on-the-job training will be also young jobseekers who completed vocational education schools, but have not been employed in the last 12 months.</td>
</tr>
<tr>
<td>3. Delays in the process of forming the new institutions have influenced the work within the ministry and the political will to implement the sectorial action plan and establish the Employment Agency</td>
<td>The Department of Labour and Employment (DLE) within the MLSW should continue to implement the activities foreseen for 2014, in line with the sectorial action plan.</td>
<td>MLSW UNDP (External)</td>
<td>The project is designed to work at the policy level and local level. Thus, continuous meetings were held with the DLE to discuss in details all the activities that are currently implemented, and to involve them in each part of implementation. However, the political developments have had an impact in implementation of some of the project activities planned, especially those linked with the</td>
</tr>
</tbody>
</table>
4. Limited PES and VTC human resources to effectively implement the on-the-job-training programme within the deadlines, according to the criteria set in the unified operational guidelines. Considering the request from PES and VTC, the project should support them at the local level to implement the new operational guidelines.

<table>
<thead>
<tr>
<th>Output 2.</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Kosovo Agency for Statistics is not ready to implement new establishment surveys on skills needs for the labour market, due to the heavy workload during this time. The project work plan has been updated to reflect the changes in the implementation schedule of activities related to KAS.</td>
</tr>
</tbody>
</table>

*Result:* ALMP2 is coordinating its activities with The world Bank and the Diaspora Engagement in Economic Development (DEED) project, on conducting the skills need survey.
VII. Partnerships

The project has been working in close coordination with other donor-funded projects and international organizations active in the area of employment generation and employment promotion, both at the policy and at the local level. The project has closely coordinated its activities and cooperated with the current ongoing projects, such as the SDC funded EYE project, EU-funded EEVG project, and also GIZ. Recently, ALMP2 together with DEED2 have started its collaboration with the World Bank to conduct the skills needs analysis.

Enhancing Youth Employment (EYE) Project is a project financed by the Swiss Development Cooperation. The project implementation period is 2012 – 2016, with possible extension. The overall goal of the EYE project is to increase the employment opportunities of the youngsters going out from VET schools and universities by facilitating their transition from school to work. At the end of the project, targeted youth are able to communicate their skills and, thanks to a functional matching system, have an easier access to the labour market and, therefore, enhance their employment opportunities. ALMP2, in the beginning of its implementation, prepared a common annual work plan, intended to coordinate the implementation of some of the activities; including the establishment of the training system for PES as well as the introduction of the PMF. During 2014, this partnership has proven to be very successful, and laid the foundation for a model which can be utilized with other donors in the future. This model was also used in supporting MLSW to establish a common annual work plan for 2015 among all donor-funded projects.

ALMP2 has also extended its partnership with other authorities and public institutions, besides the MLSW. In 2014, during the development phase of the operational guidelines for the self-employment programme, ALMP2 collaborated with the Ministry of Internal Affairs, Ministry of Trade and Industry, Ministry of Agriculture, Forestry and Rural Development, Kosovo Tax Administration, the Kosovo Investment and Enterprise Support Agency. Within the same activity, ALMP2 project has identified new partnerships with members of the civil society which will be further strengthened during 2015, such as with the Women Chamber of Commerce, Maker Space in Gjakovë/Dakovica, Innovation Centre Kosovo, etc. Considering that these actors have been part to the previous self-employment initiatives, they were actively involved in the development phase of the operational guidelines, in order to ensure that the lessons learned are reflected.

Furthermore, the project has extended its collaboration with other Finnish funded project within UNDP, such as the Aid for Trade (AFT) and Diaspora Engagement in Economic Development (DEED) projects. The three projects are currently developing a common plan in the activities which have been identified as cross cutting: namely the skills needs analysis.

<table>
<thead>
<tr>
<th>Stakeholder</th>
<th>Strengthened</th>
<th>Unchanged</th>
<th>If strengthened, please explain in which way</th>
</tr>
</thead>
<tbody>
<tr>
<td>Kosovo Institutions</td>
<td>√</td>
<td></td>
<td>Cooperation expanded with Ministry of Trade and Industry, Ministry of Agriculture, Forestry and Rural Development, Kosovo Tax Administration, the Kosovo Investment and Enterprise Agency</td>
</tr>
<tr>
<td>Civil society: Academia, Unions,</td>
<td>√</td>
<td></td>
<td>Women Chamber of Commerce, Maker Space in Gjakovë/Dakovica, Innovation Centre Kosovo</td>
</tr>
<tr>
<td>Religious organization, NGO/CBOs</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Private sector</td>
<td>√</td>
<td></td>
<td>Number of private companies partnering with the project has increased.</td>
</tr>
<tr>
<td>UN system</td>
<td>√</td>
<td></td>
<td>ALMP project experience and tools shall be extended to the northern municipalities. Some of the activities will be jointly implemented with the GBV and the forestry project that are joint programmes of several</td>
</tr>
</tbody>
</table>
UN agencies. ALMP previous experience has been used in the joint projects design phase during 2014.

<table>
<thead>
<tr>
<th>Int. organizations</th>
<th>✓</th>
<th>Number of synergies identified to further enhance cooperation with other intl. agencies</th>
</tr>
</thead>
<tbody>
<tr>
<td>Others</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
VIII. Challenges, Responses and Lessons Learned

- Institutional commitment and political will is needed for timely implementation of laws and functionalization of relevant independent institutions: Currently, PES in Kosovo is undergoing major reforms, which include building an internal training system, establishing a PMF, extending the types of active labour market measures, and others. One of the major reforms is the institutional separation of labour policy design from labour policy implementation. To ensure this clear division, MLSW has drafted and the Parliament has approved the Law on establishing and functionalizing the Kosovo Employment Agency, which foresees for the Agency to be operational starting from 1st of January 2015.

The established working group to draft the regulation on organizational structure and internal systematization of the Employment Agency ensured that the Agency has its independence in budget planning and execution, procurement and human resource management, which was ready by 31st of October, as foreseen in the decision taken by the permanent secretary of MLSW. However, the decision was revoked and new responsible officials were assigned to lead the working group. This decision delayed the process of finalizing the regulation, and also the proposed new regulation did not foresee for full independence of the Employment Agency. As a result, the functionalization of the Employment Agency has been delayed. UNDP has held meetings with the new appointed Minister of MLSW to ensure that this process is in the priority agenda of MLSW.

- Active participation of officials at the local and central level in project delivery enhances sustainability and ownership of results: ALMP2 has ensured that all the relevant representatives of MLSW, both at the central and local level, are included in each phase of project delivery, starting from defining the approach to activity implementation, drafting terms of references, and activity implementation. During 2014, ALMP2 also piloted a service delivery satisfaction questionnaire for one of its activities. The questionnaire measure the satisfaction level of the participants with the overall organization of the workshop, the consultant, the place where the workshop was held and then on specific parts of the projects. 80% of the participants returned the filled-out questionnaires, and evaluated very highly the organization of the workshop. The majority of the respondents asked for more local consultants to be engaged in such activities.

Considering that the activities of ALMP2 are addressing some of the main objectives of the Sector Strategy 2014-2020 of MLSW and its Action Plan 2014-2016, active participation of the relevant representatives of MLSW are having a positive impact on reaching the objectives set in these two important documents.

Similarly, during the implementation of the approved unified Operation Guidelines on active labour market measures, employment counsellors have identified some challenges in identifying potential jobseekers to be included in these measures. Employment counsellors utilized EMIS to identify jobseekers within the set characteristics (age group up to 29 years old, limited education background, long-term unemployed). However, the active jobseekers usually are not the ones who belong to these group, thus the employment counsellors have faced some difficulties in identifying potential candidates. Consequently, ALMP2 organized a meeting with all regional employment office directors and DLE, and came to an agreement to make some improvements in the operational guidelines during 2015, and support them to reach other to more vulnerable groups as well.

- Coordination between donor-funded projects working in the labour market field is key to ensure effective and efficient delivery of activities: Currently, there are several donors that are implementing activities with the objective of strengthening labour market institutions to ensure effective and efficient delivery of employment services. It has not been rare that projects have
implemented similar activities which has resulted in duplication of work and ineffective delivery in terms of budgets and activities. To avoid this, AMLP2 and the SDC-funded EYE project, with the initiative of MLSW, drafted a common annual work plan 2014, after identifying that there were some similar activities in both respective work plans of each project, including the PMF and the internal training system. Similarly, the implementation of the activities was monitored by both projects, through regular meetings, sharing and commenting on the draft documents and agreeing on the final approaches. This approach has also increased the sustainability and ownership of results by MLSW.

The same model was used in the process of drafting the new annual work plan for 2015, which includes activities of ALMP2, EYE, and EEVG projects. Once finalized, the annual work plan of GIZ project will also be included. Currently, MLSW, i.e. the Department for Labour and Employment, has a common annual work plan for 2015 which will be used to coordinate the activities between donors and the monitoring of its implementation will be done through quarterly meetings.

- **Collaboration among different stakeholders and flexibility is key to ensure inclusion of vulnerable groups in active labour market measures:** ALMP2, among other activities, is also supporting the MLSW and its Employment Offices and VTCs to deliver active employment measures. During 2014, 199 young women and men participated in on-the-job training programme. The participants of this programme are long-term unemployed with limited or no education background, the two being the main characteristics of unemployment in Kosovo. Thus, inclusion of this group in the active labour market measure is deemed as key in addressing unemployment in Kosovo. However, this group is also vulnerable and very susceptible to dropping out from these programmes.

Employment offices are taking initiatives in collaborating with different institutions at the local and central level to identify solutions to address the challenges faced for each individual case who participate in active labour market measure. To illustrate, the employment offices are collaborating with the Centres for Social Work to identify beneficiaries of social assistance who participate in skills development training. Based on previous evaluations of ALMP, 50% of participants who completed such types of training have found sustainable employment. Similarly, through this collaboration, 29 beneficiaries of social assistance have participated in the on-the-job training programme. During 2015, ALMP2 staff will monitor their employment status and identify the factors that ensure higher employability in its next phases. The collaboration among different public and private institutions at local level has increased the rate of vulnerable trainees who completed the training, thus, only nine candidates dropped out of the training during 2014.

- **Lack of logistical and human resource capacities in VTC and Employment Centres is impeding timely implementation of active labour market measures:** One of the main challenges which is impeding at times the implementation of active labour measure and effective implementation of the unified operational guidelines, remain the limited logistical and human capacities of VTCs and Employment Offices. Some of the Employment Offices and VTCs lack vehicles or fuel which presents an obstacle for them to monitor the jobseekers while completing their training, and prevents them from identifying new partnerships and strengthening existing ones in the private sector.

Additionally, each VTC has assigned only one trainer who is responsible for preparing the individual training plans and monitoring their implementation. Considering that there are only 8 VTC in Kosovo, there are indeed only 8 trainers who monitor the implementation of active labour measures. This becomes more challenging for densely-populated municipalities, such as Prishtina, where the trainer is responsible for around 50 trainees. To address these challenges, ALMP2 has facilitated and supported the VTCs and Employment Offices in timely implementation of the active measures, by provision of logistical support. However, this is not a sustainable solution and needs to be addressed by MLSW accordingly.
On the other hand, ALMP2 has held several meetings with representatives of Employment Offices in the northern municipalities of Zvečan/Zvečan, Leposaviq/Leposavić and Zubin Potok, facilitated also by UNDP implemented Area Based Development (ABD) project. Currently, ALMP2 is supporting MLSW to extend the EMIS system in these offices, which currently is not used by the employment counsellors there. Once the EMIS is integrated in these offices, ALMP2 will aim to pilot the implementation of active labour market measures for young women and men living in these municipalities.
IX. Conclusions and Ways Forward

Building upon the lessons learned from the successful implementation of ALMP for Youth project (2005-2014), ALMP2 has utilized the strong and effective institutional collaboration and the know-how of the project staff to ensure continuation of the best practices and identification of innovative approaches to activity implementation. During 2014, ALMP2 established its collaboration with new stakeholders, such as the Ministry of Trade and Industry and various civil society organizations, and exchanged experiences with other UNDP-implemented projects, such as Aid for Trade, thus creating new synergies within UNDP and with its external stakeholders.

Some of the main priorities for 2015 include:

- Establishing and functionalizing the Kosovo Employment Agency;
- Conducting the feasibility analysis for the establishment of the Employment Fund and developing the implementation plan for the model chosen;
- Endorsing the Sector Strategy and Action plan 2014-2016 of the MLSW;
- Properly designing a National Employment Programme, which takes into consideration the support provided by international organizations/donors and the MLSW’s own budget;
- Piloting the self-employment programme, by extending the varieties of active labour market measures, and addressing long-term unemployment among young women and men.

ALMP2 will further extend its activities to the northern municipalities through joint activities with other UNDP implemented, and Ministry for Foreign Affairs of Finland funded projects, i.e. AFT, Gender Based Violence (GBV) and Support to Implementation of the Forest Policy and Strategy in Kosovo. GBV and Support to Implementation of the Forest Policy and Strategy in Kosovo will be able to utilize the mechanisms and operational manual developed by ALMP2 to deliver active employment market measures in the Northern municipalities. ALMP2 team will also provide technical support to the projects implemented in the Northern municipalities on implementation and monitoring of active labour market measures. Furthermore, the profiling system that will be developed during 2015 by ALMP2 project will also include indicators to measure the level of vulnerability in the labour market of women and men who have been subjected to domestic violence.

Additionally, ALMP2 partner companies with potential to export will be selected and will be offered to benefit from the International Quality Standards training that will be provided under AFT2 project. Consequently, private sector will be able to generate additional placement opportunities for jobseekers benefiting from active labour market measures in a more qualitative and competitive environment. ALMP2 and AFT2 will also cooperate in implementation of the self-employment programmes and entrepreneurship. The model foresees stronger cooperation between the Ministry of Labour and Social Welfare, Ministry of Trade and Industry and municipalities in the process of executing self-employment programmes. This will entail closer cooperation between the two projects, given their main implementing partners of each are the MLSW and MTI, for ALMP2 and AFT2 respectively.

To crown it over, ALMP2 will continue to strengthen and expand its collaboration with public and private sector to ensure sustainability and ownership of results by addressing the needs of both women and men. Some of main challenges remain in the limited fiscal space of the Kosovo authorities to fund the active labour market measures and the low budget committed by MLSW to fund these measure for 2015, as well as the plans to fund them in the following years. Additionally, the project will continue to show flexibility in piloting new measures and identifying the best possible solutions which address the needs of vulnerable job seekers in joining the employment market.
X. Annexes:

Financial Report

Annual Work Plan 2015