

Employment and Social Affairs Platform 2 #ESAP2

PES Bench-learning Report Public Employment Services



Bosnia and Herzegovina, 2022

Employment and Social Affairs Platform 2

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Executive Summary

This report on the Public Employment Services (PES) of Bosnia and Herzegovina (BiH) is based on the results of the 2022 PES Bench-learning cycle in Western Balkans (WB) facilitated by the Regional Cooperation Council's (RCC) Employment and Social Affairs Platform 2 (ESAP 2) project.

Its main sources are the self-assessment completed by the BiH Labour and Employment Agency and three PESs operating in BiH, according to an adapted structure of the EU PES Bench-learning exercise as well as a peer review conducted from 31 May to 1 June in Sarajevo and Pale. Due to the structure of BiH, four partners from BiH participated in this process: **the Labour and Employment Agency (LEA) of Bosnia Herzegovina, the Employment Institute of Federation of Bosnia and Herzegovina (PES FBiH), the Employment Institute of Republika Srpska (PES RS) and the Employment Institute of Brčko District (PES BD).**

The **structure of the PESs in BiH** mirrors the institutional structure of BiH. The **LEA** is an institution at the BiH-level with the main responsibility for representing BiH in the international arena, while the following agencies are involved in delivery of PES services: **the PES FBiH, the PES RS and the PES BD.**

The **tasks** of the **LEA** focus the fulfilling of international obligations in the field of employment and the coordination of employment-related activities in cooperation with the **Federation of Bosnia Herzegovina Employment Institute (PES FBiH), the Employment Institute of Republika Srpska (PES RS) and the Employment Institute of Brčko District (PES BD).** Thus, the LEA is not involved directly in service provision. Its Head Office is located in Sarajevo with no additional Regional or Local Offices. The expenditures of the LEA are mainly restricted to staff costs for the 27 full-time equivalents (FTEs) currently employed at the LEA. The **PES FBiH** is responsible for the coordination of all employment-related activities including the payment of benefits and the implementation of active labour market policies (ALMPs) in the Federation of Bosnia and Herzegovina. Its regional structure comprises 10 cantonal offices, which are separate legal entities accountable to their respective cantonal governments as well as the respective Local Offices on the cantonal level. The cantonal level PES are in charge of directly providing services to jobseekers and employers, disbursing benefits and implementing ALMPs. At the time of the peer review the staff of the LEA amounted to 337 FTEs, of which 192 were in charge of exclusively servicing jobseekers. In contrast to the PES FBiH, the **PES RS** directly provides services to jobseekers and employers in the Republika Srpska including the implementation of ALMPs and disbursement of benefits. Its administrative structure consists of the Head Office located in Pale as well as 7 Regional Offices and 60 Local Offices directly servicing PES customers. The **PES BD** serves the population of the Brčko District through its office located in the Brčko District. Due to the fact that the Brčko District only has about 83.000 inhabitants, there are only 26 FTEs working for the PES of which 8 are exclusively servicing jobseekers and 2 exclusively servicing employers.

Regarding the services provided by each PES of BiH the **portfolio of the LEA** is comparatively narrow. On the one hand, it is in charge of concluding international agreements mainly concerning the migration of labour to and from BiH. On the other hand, the LEA coordinates the activities of the PES including the collection of data on employment and unemployment and the adoption of ALMP plans of the other PES of Bosnia and Herzegovina. The **PES FBiH**, is involved in the provision of services to jobseekers and employers although the implementation of this tasks falls under the responsibility of the PES on the cantonal level of the Federation of Bosnia and Herzegovina. The **services for jobseekers** start with the registration, followed by a profiling of jobseekers based on data such as skills, competencies and social status although there is no mandatory set of data applied in this process. Based on this information, jobseekers are segmented according to their needs to then develop an Individual Action Plan (IAP) to structure the process of integration into the labour market based on rights and obligations for jobseekers and counsellors. Furthermore, the PES FBiH offers vocational counselling and career guidance and also issues work permits. For **employers**, the services of the PES FBiH comprise the posting of vacancies and matching of jobseekers and vacancies which is done manually by counsellors. The **channels of service provision** available throughout the PES FBiH include phone, e-mail and personal meetings as well as a web portal. The **ALMPs** implemented by the PES FBiH cover a broad range of programmes, specifically employment incentives (wage subsidies), start-up incentives, direct job creation and various forms of trainings. The **services portfolio of the PES RS** is similar to that of the PES FBiH, as it includes registration, profiling, segmentation and the development of an IAP, and applies the same **channels of service provision**. However, there are notable differences such as a pre-defined set of characteristics used for the profiling which is linked to a clear segmentation of jobseekers according to their proximity to the labour market. Also, the implementation of the **Youth Guarantee** is currently under preparation by the PES RS. The posting of vacancies and matching are also part of the **services for employers**. Among the **ALMPs** implemented by the PES RS, there are various trainings provided by their own Centres for information, counselling and training, but also start-up incentives and employment incentives. In case of the **PES BD**, the **services for jobseekers** cover the same processes as in case of the other PES in BiH, but again no uniform set of data is applied during the profiling and jobseekers are segmented by counsellors into two groups regarding their employability. Career counselling and guidance are other services offered specifically to younger jobseekers. There are no fundamental differences regarding the **services for employers** provided by the PES BD when compared to the other PES in BiH. The **channels of service provision** have recently been broadened by the introduction of the eOffice, an online portal offering various PES services for jobseekers and employers. The **ALMPs** offered by the PES BD cover trainings, start-up incentives, employment incentives as well as trainings usually implemented by external service providers.

The **labour market development** in Bosnia and Herzegovina of the recent years has been heavily impacted by the COVID-19 pandemic, as is the case with most economies. For example, there was a sharp drop in the GDP from 2019 to 2020 from +3% to -3% as well as a rise in unemployment. In 2020, the average rate of unemployment amounted to 14.2% for men and 18.6% for women which is about 2.5 higher when compared to the EU average. Both the gender-specific differences in Bosnia and Herzegovina as well as the substantial difference to the EU average can also be observed for the employment rate. The overall employment rate of women was at 40% in Bosnia and Herzegovina

which is about 30 percentage points lower than the EU average. Also, youth unemployment is at a very high level with 36.6% (EU average: 17.5%).

Since the ESAP 1 project there were several **developments** throughout the PES of BiH. The **LEA** focussed its activities on international agreements which have been concluded, among others, with Serbia and Slovenia. The collection and analysis of data has been intensified as well by establishing data exchanges with the other PES of BiH and the Central Bank of Bosnia and Herzegovina. However, aggregation and analysis of the data provided still pose significant challenges due to the differences in IT systems and data collected throughout the PES of Bosnia and Herzegovina. For the **PES FBiH**, the introduction of ISO standards marked a relevant and important, but not the most important achievement in the area of standardisation of processes. Furthermore, a specialised unit for research and data analysis has been established to strengthen the generation of evidence on the services provided. The drafting of an employer strategy and the development of a risk register are other relevant achievements as well as the digitisation of services, especially during the course of the COVID-19 pandemic. Both the standardisation of process through the application of ISO standards as well as the establishment of a dedicated research and data analysis unit have also been part of the further development of the **PES RS**. Other notable developments in this PES include the strengthening of the digital support structure and the development of an automated approach to matching vacancies and jobseekers. The introduction of the eOffice has already been mentioned as a relevant step for the **PES BD** in the area of digital service provision. A second ongoing endeavour concerns the register of jobseekers. Here, as well as in the other PES of Bosnia and Herzegovina, it is often difficult to identify those persons on the register of the PES who are actually and actively looking for a job. This is due to the fact that in many cases people have to register with the PES primarily for the purpose of receiving specific benefits even if they are not actively looking for a job. The PES BD has started addressing this issue which also requires combining different registers.

The **impact of the COVID-19 pandemic** already became evident with regard to the overall developments on the labour market of Bosnia and Herzegovina. But this crisis also required the adaptation of preventive measures and changes in services provision for the PES. In case of the **LEA**, the adaptations were mainly restricted to the implementation of safety measures for their staff, such as remote work. For the **PES FBiH**, relevant activities also referred to the implementation of a wage subsidy scheme to keep persons in employment as well as the adaptation of services for customers. Measures to ensure service provision during the crisis included the facilitation of online registration and reporting but also the postponement of non-essential services such as career counselling. Similar efforts can be seen in the case of the **PES RS** such as the implementation of a job retention scheme, the suspension of personal contacts in service provision and the intensified use of phone and e-mail in counselling and registration. Also, obligations for jobseekers were reduced during this period. The measures taken by the **PES BD** cover the same areas: the implementation of a job retention scheme, reduced obligations for jobseekers as well as an intensified use of alternative channels for service provision.

During the peer review, several **strengths and development opportunities** for each of the four institutions were highlighted. In the case of the **LEA**, these refer specifically to their role in managing partnerships, both internationally and domestically, although especially on the BiH-level, there are

coordination challenges due to the high degree of autonomy of other PES in BiH. In this context the attempts at establishing a functioning exchange of data are very much worth pursuing. Among the strengths of the **PES FBiH**, the introduction of ISO standards and the development of a risk register are relevant achievements as well as the above-mentioned establishment of a specialised research unit. However, especially the high caseload of counsellors remains a relevant field for enhancement. In many cases the caseload is simply too high, and thus hampers the quality of support to jobseekers. At the same time, it has to be stressed that this observation holds true also for the other PES of Bosnia and Herzegovina working directly with job-seekers. For the **PES RS**, the efforts at process standardisation and strengthening the analytical capacities of the PES can also be considered relevant strengths. Additionally, the further development of the IT infrastructure and the automated approach to matching are relevant strengths of this PES. But issues like availability and quality of data as well as some resistance among staff to the standardisation of processes point to the need for further enhancement in these areas. The implementation of digital services has already been mentioned as an achievement and relevant strength of the **PES BD**. Also, strong relations with employers of the region, exemplified by the implementation of events like job fairs, are an asset of the PES BD even though there is little specialised staff for this task. Should a clarification of the register situation be achieved in the nearer future, this would probably mark an even more valuable achievement since this would allow the PES to focus its support on those jobseekers who are most in need of its services.

Core **recommendations to the PES** mainly pick up on the topics that have already been touched upon. The implementation of a functioning structure for sharing micro-level data on the BiH-level is a challenge which involves **all PES of Bosnia and Herzegovina** even though the LEA is likely to be the main facilitator of this process. More specific recommendations for the **LEA** refer to a strengthening of its human resources by filling vacancies among its staff and the establishment of a fully functioning and supportive advisory board. On the analytical side, more insights into the process of labour migration from and to BiH could prove valuable in addressing shortages of labour throughout BiH and avoiding a brain drain through the migration of qualified workers from BiH to other economies. For the **PES FBiH**, a focus on strengthening its services to jobseekers is recommendable. This refers, again, to the register situation which should be clarified but also to a uniform approach to the profiling and segmentation of jobseekers as well as the matching of jobseekers which should be (at least partially) automated. Also, the further digitisation of services, e.g., the registration, should be considered. Finally, a stronger specialisation of counsellors providing services to employers is encouraged. The recommendation on the register is also valid for the **PES RS**, not least since this situation affects all efforts currently undertaken by the PES to strengthen its approach to research and monitoring. Since the caseload of counsellors is very high throughout the PES RS, measures are encouraged to tackle this situation such as a potential shift of staff or the acquisition of additional funds. A stronger focus on providing services to employers through specialised counsellors in all Local Offices is another relevant recommendation as well as following-up on the achievements in the standardisation of processes which should be further developed and implemented systematically throughout the PES. Although work on the register situation has already started in the **PES BD**, this process is still far from complete and should thus be intensified. Regarding the service provision, the process of matching applied by the PES BD should be refined further since this includes little information on relevant skills of jobseekers, for

example, and is still carried out manually and does not allow the inclusion of vacancies outside of the jurisdiction of the PES. A more need-driven approach to the support of jobseekers would also be beneficial to the service quality, e.g., by linking specific risk groups to corresponding interventions addressing their typical needs. While the relations with employers can be considered a strength of the PES BD in general, this service still suffers from a lack of staff capacities. Hiring or delegating more specialised counsellors to this task is likely to achieve further progress in the cooperation with employers.

Finally, several **good practices** identified during the peer review are worth highlighting. A specific good practice refers to the role of the LEA which acts as a facilitator and coordinator in the complex institutional setup of Bosnia and Herzegovina and contributes to the functioning of the labour market even though there are still considerable challenges, especially regarding the exchange of data. The implementation of a standardisation of processes has been undertaken by both the PES FBiH and the PES RS, usually based on ISO standards. These are valuable steps and good practices, especially for other developing PES striving to implement a uniform approach to service provision. In a similar manner, the establishment of units dedicated to research, analysis and monitoring are good practices and have recently been implemented in the PES RS and the PES FBiH. Good practices can also be found in the area of digitisation where the COVID-19 pandemic facilitated the implementation of digital services such as the eOffice in the PES BD or the strengthening of the digital infrastructure of the PES RS.

1. Introduction

This report summarises the results of the self-assessment and the peer review of the PES of Bosnia Herzegovina. Due to the specific structure of the PES in Bosnia Herzegovina (BiH), this report comprises four agencies involved in the provision of employment services in BiH: the Labour and Employment Agency (LEA) of Bosnia Herzegovina, the Public Employment Service of the Federation of Bosnia and Herzegovina (PES FBiH), the Public Employment Agency of Republika Srpska (PES RS) and the Public Employment Service of Brčko District (PES BD). The self-assessments were prepared by all four agencies prior to the peer review event with the support of two external experts. The peer review was conducted from 31 May to 1 June 2022 in Sarajevo and Pale. The self-assessments of all four agencies were discussed individually during these days. Apart from representatives from all four PES of Bosnia and Herzegovina, the peer review was attended by peer PES representatives from Kosovo*, Montenegro and Serbia, the two external experts who supported the process of completing the self-assessment, representatives from the RCC ESAP 2 team and one external consultant from the contractor supporting the bench-learning process (ICON/ISG).

The time and resources dedicated to preparing the peer review by the representatives of four partners, especially the completion of the self-assessments, contributed significantly to the success of the process. This effort was highly appreciated by all participants of the peer review.

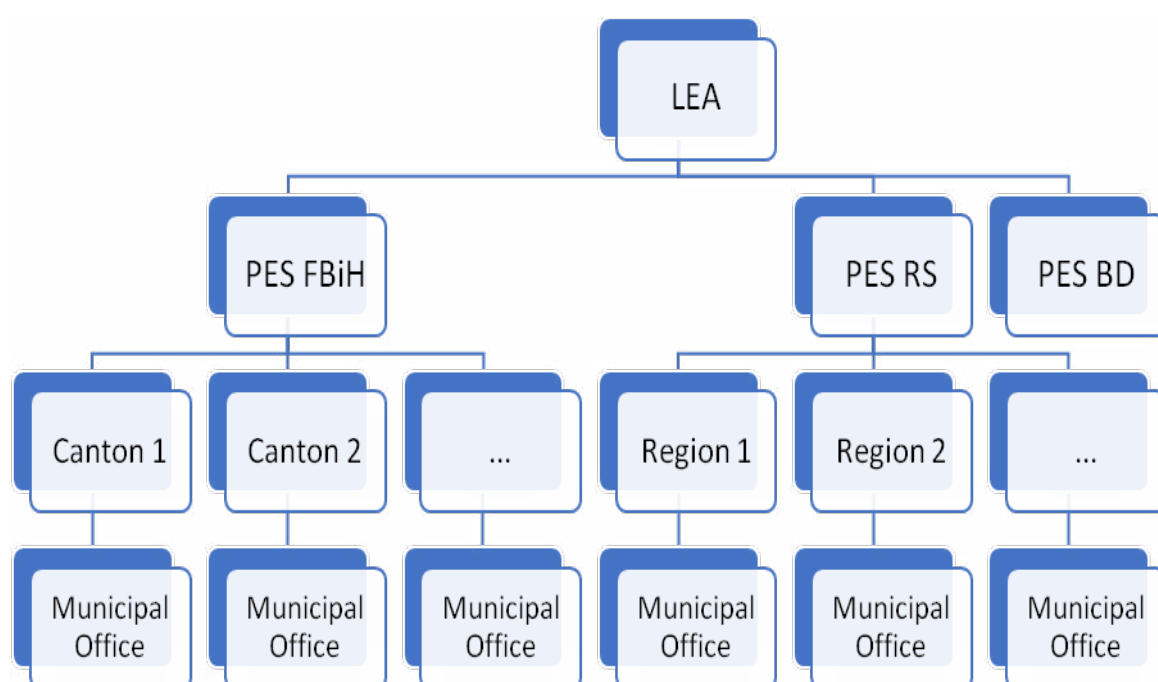
Given the institutional structure of the PES partners in Bosnia and Herzegovina, the basic institutional structure of the PES is initially described in the following section. In the further course of this report, in each section there is one subsection dedicated to each of the four partners to explain in more detail the individual approaches and developments.

* This designation is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence.

2. Description of the PES

The institutional structure of PES in Bosnia and Herzegovina mirrors the constitutional structure of Bosnia and Herzegovina set out in the Dayton Peace Agreement. The Labour and Employment Agency of Bosnia and Herzegovina – LEA (*Agencija za rad i zapošljavanje Bosne i Hercegovine*) – is an institution at the level of BiH with the main responsibility for representing Bosnia and Herzegovina in the international arena. Additionally, there are following agencies involved in the delivery of PES services: the Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH (*Federalni zavod za zapošljavanje*), the Public Employment Service of Republika Srpska – PES RS (*Zavod za zapošljavanje Republike Srpske*), and the Public Employment Service Brčko District – PES BD (*Zavod za zapošljavanje Brčko distrikta*).

Figure 1. Institutional set-up of PES in BiH



It is established by law that these PES, as public institutions are set up to implement policies and measures in the field of labour and employment, social security of the unemployed (for some PES), increase in employment, vocational guidance, training and retraining for the labour market, and other activities in this field. They each have a Governing Board. Most of the members are appointed and dismissed following proposals from the Ministry. The trade union and employers' representatives are nominated by their parent organizations. Descriptions of their institutional setups are outlined in the following subsections.

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

The Labour and Employment Agency for Bosnia and Herzegovina (LEA) was established in 2003 as an independent administrative body within the institutions of Bosnia and Herzegovina, according to the Law on the Labour and Employment Agency of Bosnia and Herzegovina. The line ministry responsible for this PES is the Bosnia and Herzegovina Ministry of Civil Affairs. The offices of LEA are located in Sarajevo with no additional regional or local Offices since LEA is not responsible for offering services immediately to customers. Instead, the **PES mandate** of the LEA focusses on two core tasks:

- fulfilling international obligations in the field of employment, often in cooperation with the Ministry of Civil Affairs of Bosnia and Herzegovina
- coordinating activities in the field of employment in Bosnia and Herzegovina within the framework of its competences.

Especially the latter task is accomplished in cooperation with the following PES: PES FBiH and PES RS and BPES BD.

The **PES administrative structure** of the LEA consists of its management (director and deputy director) and two sectors:

- Sector for International Cooperation in the Field of Employment and the Domestic Labour Market which is divided into two departments, the Department for International Cooperation and the Department for the Domestic Labour Market
- General Legal and Financial Affairs Sector which comprises the Department of Legal and General Affairs and the Department of Financial Affairs.

The LEA also has an Advisory Board, whose competencies are stipulated by the Law on the Labour and Employment Agency of Bosnia and Herzegovina.

The **objectives of the LEA** are the following:

- The strategic goal is to increase the employment rate in the economy.
- The medium-term goal is to improve the system of coordination of activities in the field of labour and employment.
- A specific goal is to improve policies and coordination with the competent institutions of BiH in the field of labour and employment.

There are **two key performance indicators** to measure the performance of the LEA:

- Number of employed workers from BiH according to employment agreements
- Number of certificates issued on the basis of resolved claims in the field of social security on the basis of unemployment

Due to the focus of the LEA on strategic and coordinating tasks it does not provide services immediately to customers – both jobseekers and employers – which marks a significant difference to the three PES of Bosnia and Herzegovina and thus also does not register jobseekers.

The number of staff of the LEA has experienced a light but constant decrease over the last years: While in 2018 the staff amounted to 31 full-time equivalents (FTEs), this number was reduced to 27 FTEs in 2021, although 33 FTEs are foreseen in the official staffing plan. Since the majority of all expenditures of the LEA is related to staff costs, there is also a slight decrease in the overall expenditures of the PES which amounted to about 570,000 EUR in 2018 and dropped by about 10 percent in 2021 when they amounted to about 510,000 EUR.

Table 1: Annual expenditures and human resources of the LEA¹

	2018	2019	2020	2021	2018	2019	2020	2021
Annual expenditure of PES								
Total PES expenditure (EUR)	571,972	551,058	534,160	508,852	100	100	100	100
of which (in absolute numbers)					a share of which, %			
Expenditure for staff costs (EUR)	468,342	449,350	448,671	434,228	81.8	81.5	84.0	85.3
Other running costs of PES (EUR)	103,629	101,707	85,488	74,623	18.2	18.5	16.0	14.7
PES Staff (in absolute numbers)					year to year change			
Total PES staff (31 December of the year in FTE)	31	30	28	27	-	-3%	-6%	-3%

¹ The information on expenditures and human resources is based on the information provided by the corresponding PES. In some cases, there was no detailed information on previous years or some of the categories available.

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

The Public Employment Service of the Federation of Bosnia and Herzegovina (PES FBiH) is a public and extra-budgetary institution. It is financed from unemployment contributions and was established in accordance with the Law on Mediation in Employment and Social Security of Unemployed Persons. The PES FBiH is accountable for its work to the Government of the Federation of Bosnia and Herzegovina, with the mediation and supervision of the Ministry of Labour and Social Policy of the Federation of Bosnia and Herzegovina.

The Governing Board manages the financial resources of the PES FBiH, provides guidelines and determines active labour market policies (ALMPs) of the PES FBiH, in accordance with legal acts and sub-acts and guidelines for the implementation of which the director of the PES FBiH is responsible. The director of the PES FBiH manages all processes and procedures, including payments for the ALMPs implemented by the PES FBiH.

In the Federation of Bosnia and Herzegovina, there are 10 cantonal level employment services, which are separate legal entities established by cantonal law. They are accountable for their work primarily to the cantonal level ministry of labour and the cantonal parliament, not to the PES FBiH. The PES FBiH is in charge of cooperation with cantonal employment services, which in turn are responsible for the development of employment and implementation of ALMPs at the cantonal level. Still, activities are well coordinated between the cantonal level services by the PES FBiH. This can be seen, for example, by the fact that the majority of ALMPs is designed at the level of the Federation of Bosnia and Herzegovina and then implemented by the cantonal level services. Although cantonal level PES have the right to design and fund their own measures, in practice this is rarely the case. One notable exception is Sarajevo Canton, which is the canton with the largest budget and thus can dispose of the appropriate means to fund such activities. Despite the fact that the cantonal level PES are separate legal entities which operate according to different laws and respective employment strategies, the PES FBiH and the cantonal level PES display a high degree of cooperation, as this example of ALMPs illustrates.

The main source of budget for the PES FBiH are unemployment contributions. The PES FBiH is funded through a share of 30% from the unemployment contributions by employees, which amount to 2% of their gross wages. The PES FBiH has a coordination role for the 10 cantonal employment agencies and directly funds ALMPs. At the cantonal level the funds cover administrative expenses, the expenses for unemployment benefits, health insurance, and retirement and disability pension contributions. In case of a surplus budget, ALMPs can be funded by cantons. In case of a shortage of funds, a request can be made by the corresponding canton to the PES FBiH for financial assistance.

The **mandate** of the PES FBiH covers the following tasks. It

- monitors and proposes measures to improve the employment and social security of the unemployed
- monitors and ensures the implementation of established policies and measures in the field of labour and employment in the territory of the Federation of Bosnia and Herzegovina and informs the competent bodies of the Federation of Bosnia and Herzegovina

- manages funds for ensuring material security during unemployment, in accordance with this law
- monitors, harmonizes and coordinates the work of employment services in the implementation of established policies and measures in the field of employment and social security of unemployed persons within the competence of the Federation of Bosnia and Herzegovina
- monitors and proposes measures for the improvement of employment of disabled persons and their professional rehabilitation and ensures the fulfilment of conditions for their employment in cooperation with employment services
- supports the implementation of vocational guidance, training and retraining programmes for the unemployed and their re-employment in appropriate jobs
- consolidates and maintains summary records in the field of labour and employment of interest to the Federation of Bosnia and Herzegovina and proposes measures and necessary resources for the development and functioning of a unified information system in this field
- monitors the implementation of international agreements and agreements in the field of labour and employment related to the Federation of Bosnia and Herzegovina
- approves the employment of foreign citizens and stateless persons at the proposal of the Employment Service
- monitors and takes measures to create conditions for the return of citizens of the Federation of Bosnia and Herzegovina from temporary work abroad and their employment
- performs other tasks determined by the law, statute and acts of the PES FBiH and ILO conventions and recommendations related to the field of labour, employment and social policy
- submits an annual work report to the Parliament of the Federation of Bosnia and Herzegovina
- submits the consolidation of the annual financial plans of the PES FBiH to the Ministry for labour affairs of the Federation of Bosnia and Herzegovina.

Given the focus on everyday service provision for customers, the **mandate of the cantonal level** PES varies from the PES FBiH and covers the following tasks:

- employment mediation
- information on employment opportunities
- implementation of programmes of professional orientation, training and retraining of unemployed persons and their re-employment in appropriate jobs
- determining the rights of persons in case of unemployment

- issuing work permits to foreign citizens and stateless persons
- adoption and implementation of programmes and measures for faster employment of certain categories of unemployed persons who are difficult to place
- cooperation with educational institutions to harmonize educational programmes with the labour market needs of employers
- collecting and submitting data on unemployed persons to the Public Employment Service of the Federation of Bosnia and Herzegovina.

Also, regarding the **objectives** there is a differentiation between the PES FBiH and the cantonal-level PES. For the **PES FBiH** there are four objectives:

- implementation of defined policies and measures to increase labour market efficiency
- provision of adequate material (financial) and social security to unemployed persons
- development and implementation of ALMPs
- provision of information for all interested parties about the situation in the field of employment.

The **cantonal-level PES** follow a set of five objectives which vary from those of the PES FBiH due to the fact that practical service delivery to jobseekers and employers is their core task.

- employment mediation
- monitoring and updating information on the unemployed
- implementation of ALMPs, professional orientation, training and retraining
- exercise of legal rights on the basis of temporary unemployment
- informing stakeholders about the situation in the field of employment.

A set of four **KPIs** is used to measure its performance and contribution to the set goals for the **PES FBiH**.

- integration of unemployed persons into the labour market before they become long-term unemployed
- reduction of the registered unemployment rate
- targeting and activation of unemployed people from vulnerable groups
- proposition and implementation of ALMPs.

Corresponding information on KPIs from the different cantonal-level PES has not been collected for the self-assessment.

Regarding **rules of registration**, the PES FBiH offers services to all unemployed persons and persons requiring a change of employer. To determine the individual person's eligibility, the personal data of the persons registering are processed based on legal regulations while also taking into account issues of data protection. Once a person is registered as unemployed, the eligibility for different benefits is considered, i.e., material (financial) and social security of unemployed persons. Material and social security includes the right to financial compensation, health insurance and pension as well as disability insurance.

Table 2: Expenditures and human resources of the PES FBiH

	2018	2019	2020	2021	2018	2019	2020	2021
Annual expenditure of PES (EUR)								
Total PES expenditure (EUR)	18,944,070	21,562,908	23,847,095	25,467,365	100	100	100	100
of which (in absolute numbers)					a share of which, %			
Expenditure for ALMPs (EUR)	16,117,793	18,432,559	17,673,655	22,709,890	85.1	85.5	74	89.2
Expenditure for staff costs (EUR)	1,334,904	1,552,594	1,582,526	1,607,167	7.0	7.2	6.6	6.3
Other running costs of PES (EUR)	678,149	733,499	903,536	896,088	3.6	3.4	3.8	3.5
Other expenditures (EUR)	814,437	845,642	3,688,707	255,928	4.3	3.9	15.5	1.0
PES Staff (in absolute numbers)					year to year change			
Total PES staff (31 December of the year in FTE)	n/a	n/a	n/a	337	-	-	-	-
Exclusively servicing jobseekers (31. December of the year in FTE)	n/a	n/a	n/a	192	-	-	-	-
Exclusively servicing employers (31. December of the year in FTE)	n/a	n/a	n/a	n/a	-	-	-	-

As can be seen in Table 2 above, there has been a significant increase in the budget of the PES FBiH over the last four years. While the total expenditures amounted to approximately 19 million EUR in 2018, this amount has increased by more than one third to over 25 million EUR in 2021. This increase is mainly due to a rise in the ALMP budget which rose from 16 million EUR to almost 22 million EUR during this span of time. Also, the staff costs increased by about 20 percent. But with 1.6 million EUR these costs only amount to about 7 percent of the total budget. Detailed information on the structure of staff and its development is missing for this PES, but in 2021 the staff of the PES FBiH amounted to 337 FTEs out of which 192 were exclusively servicing jobseekers.

Public Employment Service of Republika Srpska – PES RS

The PES of the Republika Srpska (PES RS) was established by the Law on Employment and Exercise of the Rights of Unemployed Persons as a Public Institution in accordance with the Law on Mediation in Employment and Rights during Unemployment. The PES RS is a public body with the characteristics of a legal entity, which is recorded in the court register or other records of institutions as stipulated by law or other regulations. The founder of the PES RS is the Government of the Republika Srpska. The Statute and the Rulebook on the internal organization of the PES RS regulate the activities of the PES RS, its organisation of work and other issues of importance for the functioning of the PES RS. The bodies of the PES RS are the Governing Board and the Director. The Ministry of Labour and Veterans' Disability Protection is responsible for the legal framework of the PES RS.

The **mandate of the PES RS** covers the following tasks:

- employment mediation
- public information on employment opportunities and conditions
- professional orientation and providing counsel on career planning
- vocational training and preparation for employment
- implementation of ALMPs
- issuing work permits to foreigners and stateless persons
- exercising the rights of unemployed persons in accordance with the law
- performing organisational, professional, administrative and other tasks aimed at increasing employment or reducing unemployment.

The **administrative structure of the PES RS** is organised according to a functional and territorial principle. Organisational units are formed for the purpose of performing the function of the PES RS and the realisation of related and interconnected tasks (functional principle), i.e. for performing these tasks in the region (territorial principle).

In functional terms, the PES RS is organized by sectors and departments. The Central Office is based in the Director's Office and five sectors:

- Sector for Joint Affairs
- Sector for Mediation and Active Labour Market Policy
- Sector for Legal and Personnel Affairs
- Sector for Financial Affairs
- Sector for Information Technologies.

The organisational units are branches (Regional Offices) and bureaus (Local Offices), namely 7 Regional Offices (Banja Luka, Prijedor, Doboj, Bijeljina, Zvornik, Trebinje and East Sarajevo) and 60 Local Offices, which directly provide services to customers, both jobseekers and employers. More detailed guidelines and directives regarding the internal organisation and structure of jobs, the number of executors, conditions for employment, job descriptions and other issues related to the internal organisation of the PES RS are regulated by the act on international organization and systematisation of jobs.

The **objectives of the PES RS** are to:

- reduce the unemployment rate, especially of young and hard-to-employ people
- increase labour mobility
- promote the concept of lifelong learning
- reduce the share of long-term unemployment
- match supply and demand of labour on the labour market
- provide material security for the unemployed
- perform the functions of the PES RS in a legal, efficient and effective manner.

Key performance indicators of the PES RS to measure its performance are:

- reduction of the rate of registered unemployment
- reduction of the rate of long-term unemployment
- reduction of the share of registered young and hard-to-employ persons among the total population of active job seekers
- satisfying the need of employers for workforce.

According to the **rules of registration**, an unemployed person is a person registered in the records of the PES RS, aged 15 to 65, able to work or with limited ability to work, who is not employed, actively seeks work and is available for work. An unemployed person actively seeks employment if he or she fulfils his or her obligations as legally defined and stated in the Individual Action Plan (IAP). An unemployed person is available for work if he or she responds to every call of the PES RS for the purpose of preparation for employment and mediation in employment, unless he or she is objectively prevented from accepting the offered employment. Unemployed persons are obliged to actively look for a job, i.e., to monitor the situation on the labour market and to be informed about vacancies. An unemployed person whose employment has been terminated without his or her request, consent or guilt who has paid contributions to unemployment insurance at least for 8 months during the last 12 months or 12 months with interruptions in unemployment insurance in the last 18 months, is entitled to:

- monetary compensation (unemployment benefits)
- health insurance
- pension and disability insurance.

Under the same conditions, these rights also apply for a person who has permanently ceased to perform an independent activity in accordance with the regulations governing pension and disability insurance and the related contributions and has deregistered from the mandatory types of insurance.

Table 3: Expenditures and human resources of the PES RS

	2018	2019	2020	2021	2018	2019	2020	2021
Annual expenditure of PES								
Total PES expenditure (EUR)	18,657,571	24,083,720	29,445,894	35,330,375	100	100	100	100
of which (in absolute numbers)					a share of which, %			
Expenditure for benefits (EUR)	7,345,166	7,670,649	15,842,523	16,503,214	39.4%	31.8%	53.8%	46.7%
Expenditure for ALMPs (EUR)	6,545,863	11,523,099	8,417,098	13,651,927	35.1%	47.8%	28.6%	38.6%
Expenditure for staff costs (EUR)	3,655,687	3,861,025	4,242,407	4,361,392	19.6%	16.0%	14.4%	12.3%
Other running costs of PES (EUR)	1,095,284	1,002,853	925,084	787,853	14.9%	13.1%	5.8%	4.8%
Other expenditures (EUR)	15,571	26,096	18,782	25,991	0.2%	0.2%	0.2%	0.2%
PES Staff (in absolute numbers)					year to year change			
Total PES staff (31 December of the year in FTE)	337	333	351	337	-	-1.2%	5.4%	-4.0%
Exclusively servicing jobseekers (31. December of the year in FTE)	202	196	198	192	-	-3.0%	1.0%	-3.0%
Exclusively servicing employers (31. December of the year in FTE)	n/a	n/a	n/a	n/a	-	-	-	-

The developments in the budget and staff of the PES RS are displayed in Table 3 above. The expenditures of the PES RS almost doubled from about 18 million EUR in 2018 to 35 million EUR in 2021 which is most likely due to measures and payments related to the COVID-19 pandemic since the increase is mostly restricted to the expenditures for benefits and ALMPs. This is quite a common development which can be observed in many PES which implemented anti-COVID measures. Even though the expenditures for staff also rose by about 20 percent, the total number of PES staff remained more or less constant around 330 FTEs.

Public Employment Service of Brčko District – PES BD

The PES of the Brčko District of Bosnia and Herzegovina (PES BD) is a public service established in accordance with the Law on Employment and Rights during Unemployment. Furthermore, it is a key organisation in the labour market of the Brčko District of Bosnia and Herzegovina, not only as an intermediary in employment and provider of information on the labour market and ALMPs, but also as a partner and facilitating factor in the field of labour and employment.

The **mandate of the PES BD** includes three main areas. It

- mediates between employers and the unemployed in order to help the unemployed to find a job and adjust their qualifications and skills to the requirements of the labour market
- is in charge of disbursing unemployment benefits, thus providing material security to the unemployed
- offers human resources for the successful functioning of the economic entities.

The **administrative structure of the PES BD** consists of the following organisational units:

- Sector for Legal and General Affairs
- Service for Economic Affairs and Analysis
- Professional Service of Directors
- Sector for Employment Mediation within which the Service for Employers is located.

The PES BD is not segmented into smaller territorial units, but represents a single organisation for the entire territory of the Brčko District of Bosnia and Herzegovina.

The **objectives of the PES BD** are to:

- reduce the unemployment rate
- establish the best possible cooperation with employers based on partnerships

- match supply and demand in the labour market
- develop an appropriate IT support and professional development of employees
- support unemployed persons in exercising their rights.

To operationalise and measure the achievement of this set of objectives, a set of three **KPIs** is applied by the PES BD:

- reduction of the registered unemployment rate
- adjustment of labour supply to labour market requirements through training, counselling and other incentives
- preparation and encouragement of the unemployed, as well as providing stimulation for taking up entrepreneurship.

In order to register with the PES BD, the following **rules of registration** are applied by the PES BD which mainly refer to the provision of different records and information on the status of the corresponding person. Firstly, the following documents have to be provided:

- a valid identity card issued by the Public Register of the Government of the Brčko District of Bosnia and Herzegovina
- registration of place of residence in the Brčko District of Bosnia and Herzegovina (not older than 30 days)
- workbook including information on the professional qualification
- certificate from the Tax Administration of the Brčko District of Bosnia and Herzegovina that the person is not the founder of a company, shop or other form of independent activities (not older than 30 days).

Additionally, the applicant is obliged to submit a completed and signed form for application for the records, which contains a statement that he or she

- meets the legally prescribed conditions to be registered with the records of the PES BD
- accepts the obligation to actively seek employment, i.e., monitors the situation on the labour market and is informed about vacancies
- will comply with the conditions of active job search
- will inform the PES BD within eight days from the day of occurrence of changes that are significant for keeping records at the PES BD

- will allow the use of personal data for the purpose of exercising the right based on the application
- is familiar with the rights he or she can exercise while registered with the PES BD
- is aware that he or she bears legal and material responsibility for the untruthfulness and inaccuracy of the information communicated to the authorized person when applying to the records of the PES BD
- lives in a joint household with other persons.

Based on these documents and information, the eligibility for unemployment benefits and employment services is assessed on a case-by-case basis by the staff of the PES BD. A person who is actively seeking employment and registered with the PES BD is obliged to be active in his or her search for employment with the help of counsellors and ALMPs. The unemployed person is obliged to adhere to the activities determined by the counsellor while the counsellor provides support during the jobseeker's search for employment.

Table 4: Expenditures and human resources of the PES BD

	2018	
Annual expenditure of PES		
Total PES expenditure (EUR)	2,223,661	
of which (in absolute numbers)		a share of which, %
Expenditure for benefits (EUR)	1,058,741	47.6%
Expenditure for ALMPs (EUR)	568,232	25.6%
Expenditure for staff costs (EUR)	444,057	20.0%
Other running costs of PES (EUR)	152,631	6.9%
PES staff (in absolute numbers)		
Total PES staff (31 December of the year in FTE)	26	
Exclusively servicing jobseekers (31. December of the year in FTE)	8	
Exclusively servicing employers (31. December of the year in FTE)	2	

In the PES BD there are 26 employees, of which 8 exclusively service jobseekers, while 2 exclusively service employers. The budget of the PES BD amounted to about 2.2 million EUR in 2018, of which almost half was spent on benefits and one quarter for the implementation of ALMPs while costs of staff amounted to 20 percent of the budget. More detailed information on additional years was not provided as part of the self-assessment.

3. Description of services and ALMPs

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

Unlike other PES in Bosnia and Herzegovina and other economies, the focus of the services provided by the LEA is relatively narrow and focused on coordination and cooperation at the BiH-level and international level. At the same time, the LEA does not provide any services directly to jobseekers or employers and does not implement any ALMPs.

One core task performed by the LEA is the conclusion of international agreements. The agreement with Slovenia which sets an annual quota of 19,000 persons from Bosnia and Herzegovina who are allowed to work in Slovenia can be highlighted as one relevant example of international agreements concluded by the LEA. So far, a total of 30,000 workers were sent under the agreement. Further agreements were arranged with Germany on the employment of nurses from Bosnia and Herzegovina as well as with Katar. Also, international student internships for Bosnia and Herzegovina citizens are a part of the portfolio of agreements arranged by the LEA. While these tasks refer to the emigration of labour from Bosnia and Herzegovina citizens, the LEA also proposes quotas for foreign workers migrating to Bosnia and Herzegovina based on requests submitted by the other PES in BiH to the government.

There are also some tasks carried out by the LEA which refer to the coordination of activities of the PES in BiH. In this context, the LEA, based on agreements, collects data on employment and unemployment provided by the PES of Bosnia and Herzegovina on a monthly basis (PES F BiH, PES RS and PES BD). These are checked and then forwarded to the BiH Agency for Statistics for reporting purposes on the level of BiH. The cooperation between the PES F BiH, PES RS and PES BD is further coordinated by the LEA regarding the goals and their contributions to achieving these. Also, the general exchange between the PES of Bosnia and Herzegovina is part of the tasks performed by the LEA. While the LEA does not offer any ALMPs itself, it is in charge of adopting the ALMP plans from referenced PES. Finally, the coordination of EU projects falls under the responsibility of the LEA.

This overview highlights the relevance of the tasks performed by the LEA for the overall functioning of the Bosnia and Herzegovina labour market and system of employment services. Similar institutional setups for PES among the EU Member States can be found in Italy or Spain. This specific focus is also the reason why the activities conducted by the LEA are not relevant with regard to the classification of the PES services and measures of the EU Labour Market Policy database² which is applied for the classification of the services and ALMPs for the other PES of Bosnia and Herzegovina in the following sections.

² <https://ec.europa.eu/social/main.jsp?catId=1143&intPagId=3227&langId=en>; LMP statistics, Methodology 2018 can be found at: <https://ec.europa.eu/social/main.jsp?catId=738&langId=en&pubId=8126&furtherPubs=yes>

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

In contrast to the LEA, the range of services offered by the PES FBiH, covers the support to jobseekers and employers as well as ALMPs which are typical of most PES.

The **support for jobseekers** by the PES FBiH starts with the registration. Prior to the COVID-19 pandemic this was typically done in person by jobseekers at the Local Offices. But contact restrictions led to the introduction of online registration as an alternative channel. Since this switch to a digital registration process proved to be successful, further digitisation of processes is envisaged by the PES FBiH to improve efficiency and transparency of services. The registration forms the basis for all benefits issued by the PES FBiH among which are unemployment benefits, health insurance, pension and disability insurance.

The actual process of employment mediation for jobseekers starts with the **profiling**. The data collected during this process covers information on education, work experience, skills, competencies, affinities, social status as well as the general psychophysical condition of the jobseeker. It has to be noted though, that it is mostly at the discretion of the individual counsellor performing the profiling which data is actually collected since there is no mandatory set of standard indicators.

Based on this information on the situation of the jobseeker, the counsellor assigns the unemployed person to a **specific segment** depicting his or her employability, distance to the labour market as well as specific needs of different groups. The services offered to jobseekers are linked to the different segments, e.g., more intensive support for older jobseekers in the process of job search instead of the sole provision of information on vacancies. However, the number of segments applied and the specific link between segments and service provision remains somewhat unclear. Also, it has to be noted that there is no specialisation of counsellors for supporting specific segments of jobseekers. Instead, counsellors are expected to work with all jobseekers regardless of their situation.

The core service of employment mediation builds on the profiling and segmentation. To this end, the counsellor identifies the employment goals of the jobseeker, assesses the relevant measures to achieve these goals and concludes an **Individual Action Plan (IAP)**. This process is to be completed at the latest 60 days after the initial registration of a jobseeker and the IAP is concluded for six months. Typical actions determined in the IAP are the frequency of meetings between jobseeker and counsellor, number of applications to be submitted by the jobseeker as well as information on vacancies and ALMPs provided by the PES FBiH. The IAP can be changed or updated if needed but there are no predetermined intervals for this task.

Throughout the counselling process, different **channels of communication** are available to jobseekers: phone, e-mail, personal meetings and the online portal of the PES FBiH. For the use of digital channels, digital literacy tends to be a problem for some of the jobseekers. Also, it remains a challenge for the PES FBiH to actively steer jobseekers to the use of digital services. PES FBiH also established a specific system of online advertising of public calls and the method of application for participants in the ALMPs.

Apart from this core service of job mediation, the PES FBiH also offers **vocational counselling** and **career guidance** for students to support the transition from education to work. Finally, the **issuing of work permits** to foreign citizens and stateless persons has to be mentioned as a task performed by the PES FBiH in the context of services provided to jobseekers.

For the other group of customers, employers, the PES FBiH also offers various services which are based on the F BiH employment strategy as well as plans for **cooperation with employers**. However, there is no approach to segmenting employers by sector or size. Instead, employers are all serviced equally. Services can be either provided by Local Offices of the PES FBiH or this task can also be delegated to the Head Office. While there are no counsellors on the cantonal level specialized in exclusively servicing employers, there is a unit exclusively dedicated to this task on the central level of the PES FBiH. As in the case of jobseekers, there is a broad range of channels used for providing services to employers, such as phone, e-mail, personal contacts and a web portal.

One core activity of the PES FBiH counsellors is the **provision of information on PES services** to employers which also includes an overview of ALMPs available for employers. At the same time, employers can **post their vacancies** with the PES which can be done electronically or in person.

The information on vacant positions provided by employers forms the basis for the **matching process**. To this end, those jobseekers from the register of the PES FBiH are manually selected by counsellors which are most suited for the corresponding position. The number of candidates to be suggested to an employer is decided on prior to the matching by the employer. In case there is no jobseeker on the register of the PES FBiH who meets the requirements of the employer, the employer receives a corresponding notice. So far, no approach to automatic matching has been introduced in the PES FBiH. Finally, the PES FBiH conducts **surveys among employers** to identify their current and expected needs for staff and qualification as a basis for adjusting their planning of services.

Another core task of the PES FBiH refers to the implementation of **ALMPs**. Table 5 presents the list of services and active labour market policy measures provided by the PES FBiH (in the right column of the table, highlighted with contrasting colour) and how they correspond to the classification of the PES services and measures of the Labour Market Policy (LMP) database briefly introduced in the text box (in the left column of the table). This approach is also applied to the remaining PES of Bosnia and Herzegovina in this section.

The LMP database

LMP statistics are one of the data sources for monitoring the Employment Guidelines. The guidelines specifically refer to the provision of active labour market policies, which cover LMP measures and LMP services, and adequate social security systems, which include LMP support.

The scope of LMP statistics is limited to public interventions which are explicitly targeted at groups of persons with difficulties in the labour market: the unemployed, persons employed but at risk of involuntary job loss and inactive persons who would like to enter the labour market. Data on public expenditure and participants (stock and flows) are collected annually from administrative sources. According to the LMP methodology, labour market interventions are classified by type of action.

- **LMP services** cover all services and activities of the public employment service (PES) together with any other publicly funded services for jobseekers.
- **LMP measures** cover activation measures for the unemployed and other target groups including the categories of training, job rotation and job sharing, employment incentives, supported employment and rehabilitation, direct job creation, and start-up incentives.
- **LMP support** covers financial assistance that aims to compensate individuals for loss of wage or salary (out-of-work income maintenance and support, i.e. mostly unemployment benefits) or which facilitates early retirement.

The quantitative data on expenditure and participants are complemented by a set of qualitative reports which describe each intervention, how it works, the main target groups, etc.

Source: <https://ec.europa.eu/social/main.jsp?catId=1143&intPagId=3227&langId=en>

A strong overall focus of the ALMPs implemented by the PES FBiH is on wage subsidies provided to employers which can be classified as **recruitment incentives**. One measure of this type addressing the younger workforce is the ALMP “Your opportunity” which co-finance the employment of persons with work experiences up to the age of 35. In 2021, contracts have been concluded with 79 employers, facilitating the employment of 96 persons, half of them female workers. The costs for this ALMP amount to about 22,000 EUR. An even younger and less experienced group of jobseekers is targeted by a variation of the ALMP “Your opportunity” which provides first work experience for young unemployed persons under the age of 30 for the profession they have been trained for. To this end, a subsidised employment is established to improve their competitiveness and support their integration into the labour market. In 2021, contracts have been concluded with 120 employers, under which a total of 253 unemployed persons gained access to first work experience. Two out of three participants were female and the cost of this measure amounted to about 750,000 EUR.

Another ALMP which applies **recruitment incentives** is directed exclusively at women, the ALMP “Women employment” which is meant to prevent long-term unemployment among women and increase their overall participation in the labour market. Again, this is an ALMP which provides subsidies to employers to achieve this goal with 326 contracts concluded with employers in 2021 for the employment of 517 women, generating expenditures of about 600,000 EUR.

A less specific **recruitment incentive** is implemented with the ALMP “Opportunity for all” which provides co-financing for the extended employment of unemployed persons. Again, employers receive subsidies for an extended period of time to encourage the employment of unemployed persons. With 753 contracts with employers, this is the most popular of the wage subsidies, facilitating the employment of more than 1,400 unemployed persons in 2021, among them 41% female jobseekers. The costs for this ALMP amount to about 2.8 million EUR.

The ALMP “Contribution 500” addresses employers mainly in the field of private and public health care facing shortages of personnel due to the COVID-19 pandemic. To encourage the employment of jobseekers, these employers receive a refund of the mandatory social contributions of up to 255 EUR per person employed. This is specifically meant to facilitate the payment of higher wages in this sector, thus providing **recruitment incentives** for jobseekers to work in this sector with a high demand for labour.

A specific group of jobseekers is targeted with the ALMP on the “Employment of demobilized soldiers”. This **recruitment incentive** allows the co-financing of the employment of persons in accordance with the Law on the Rights of Demobilised Veterans and Members of their Families, namely: demobilised veterans and demobilised volunteers registered with the PES FBiH. In the course of the implementation of this ALMP, 21 contracts were concluded with employers in 2021 with a total value of 46,000 EUR for the employment of 20 people.

Another **recruitment incentive** is also provided in the area of “seasonal employment” which is meant to help meet the demand for labour in seasonal employment on the one hand and support integration of jobseekers in these forms of temporary employment on the other hand. For this ALMP, 123 contracts have been concluded with employers in 2021, leading to the employment of 322 jobseekers, about 40% of whom were female. The expenditures for this ALMP amounted to about 430,000 EUR.

The target group of the ALMP “New opportunity” is implemented to support hard-to-place jobseekers since its focus is on jobseekers over 40, people who have been registered as unemployed for at least 12 months and people with little or no formal qualification. Again, this support measure uses **recruitment incentives** for employers to encourage the employment of this target group. Over the course of the implementation of this measure in 2021, 202 contracts with employers with a total value of 664,000 EUR were concluded, resulting in the employment of 297 persons out of which 57% were female.

Table 5: Services and ALMPs provided by PES FBiH by the LMP DB categories³

1.	Labour market services are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.	
1.1.	Client services	<ul style="list-style-type: none"> - Counselling of jobseekers and employers - Individual Action Plans - Vocational counselling - Issuing of work permits
1.2.	Other activities of the PES	<ul style="list-style-type: none"> - Administration of LMP measures
2.	Training covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.	
2.1.	Institutional training	<ul style="list-style-type: none"> - "Looking for an employer"
2.2.	Workplace training	<ul style="list-style-type: none"> - "Service in cooperation with employers"
2.3.	Alternate training	
2.4.	Special support for apprenticeship	
4.	Employment incentives covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.	
4.1	Recruitment incentives	<ul style="list-style-type: none"> - "Your Opportunity" - "Women Employment" - "Opportunity for All" - "Contribution 500" - "Employment of Demobilised Soldiers" - "Seasonal Employment" - "New Opportunity"
4.2	Employment maintenance incentives	
4.3	Job rotation and job sharing	
5.	Sheltered and supported employment and rehabilitation covers measures that aim to promote the labour market integration of persons with reduced working capacity through sheltered or supported employment or through rehabilitation.	
5.1	Sheltered and supported employment	
5.2	Rehabilitation	
6.	Direct job creation covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.	
		<ul style="list-style-type: none"> - "Public works" - "Helping those in need"

³ The following category "3. Job rotation and job sharing", is not used anymore in the Classification, thus it is excluded in this Table –this category is included in category 4, per the EC Labour market policy Statistics - Methodology 2018, downloadable at ([Publications catalogue - Employment, Social Affairs & Inclusion - European Commission \(europa.eu\)](#))

7.	Start-up incentives covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.
	<ul style="list-style-type: none"> - "Youth entrepreneurship" - "Women Entrepreneurship" - "Entrepreneurship for Demobilised Soldiers" - "Second Chance"

The portfolio of ALMPs of the PES FBiH also includes a programme on "Public works" as a form of **direct job creation**, usually targeted at jobseekers with particularly severe barriers to employment. Their employment for a limited period of time is focused on socially useful work and the provision of services to people in need which is typical for this type of ALMPs. In 2021, only 15 jobseekers (20% female) working for 9 employers benefited from these ALMPs, resulting in expenditures of about 15,000 EUR. The ALMP "Helping those in need" has a very similar focus since it is meant to alleviate the social consequences of unemployment through temporarily limited work engagement and engagements which contribute to socially useful work and the provision of services to people in need. In the course of the implementation of this measure, 5 contracts were concluded with employers in 2021 resulting in expanses of 15,822 EUR for the employment of 6 persons, out of which 4 or 66.66% were female.

An ALMP which is to increase the competences and motivation of jobseekers in their search for employment is also provided by the PES FBiH, "Looking for an employer" which can be classified as an **institutional training** according to LMP database classifications. For this ALMP, 739 contracts have been concluded in 2021, implying expenditures of 2.3 million EUR which facilitated the employment of 780 jobseekers out of which 61% were female.

The ALMP „Service in cooperation with employers" is another example of a **training** measure, in this case **workplace training**, since it focuses on the provision of training and increasing competences among jobseekers in cooperation with employers. This ALMP is open to all jobseekers, regardless of their gender, age, education and work experience. A total of 853 contracts have been concluded for this ALMP in 2021 which facilitated the increase in competences of 1,404 jobseekers. The total value of these contracts amounts to 4.03 million EUR.

Another set of ALMPs is implemented by the PES FBiH to encourage self-employment and entrepreneurship among jobseekers which correspond to the classification of **start-up incentives**. A first example of this type of measures is the ALMP "Youth entrepreneurship" which is directed at young people. Under this programme, the self-employment of 270 young persons (38% female) has been subsidized so far, leading to expenditures of 1.02 million EUR in 2021. The ALMP "Women entrepreneurship" is specifically designed to provide support to female jobseekers in the course of self-employment. 272 women benefited from this programme with expenditures of about 0.77 million EUR. Furthermore, there is another target-group specific ALMP supporting self-employment, in this case "Entrepreneurship for demobilized soldiers". The implementation of this measure included 54 jobseekers in 2021 with whom 44 self-employment co-financing contracts were concluded with a total value of 150,563 EUR, among them 4 women. A final ALMP to stimulate self-employment is the programme "Second chance". Under this measure, 310 contracts have

been concluded for the co-financing of self-employment of 347 jobseekers in 2021, amounting to expenditures of about 0.97 million EUR.

Against the backdrop of the LMP database classification of ALMPs implemented by the PES FBiH, there are two things worth highlighting. On the one hand, there are sometimes many different programmes with a similar structure, especially among the **employment incentives** and **start-up incentives**. It might be worth considering to simplify this structure by focusing on a smaller number of programmes which are flexible to accommodate the needs of different sub-groups. On the other hand, the **training** programmes are comparatively small in size. Thus, further strengthening the investment in skills and competences of jobseekers might pay off with regard to increasing integration into the labour market and meeting the demand for skilled workforce among employers. Experience from other countries has shown that trainings are particularly promising if they are implemented in cooperation with employers, thus as **workplace trainings**.

Public Employment Service of Republika Srpska – PES RS

Registration with the PES RS marks the starting point for the **services provided to jobseekers**. The option for jobseekers to register electronically was introduced as one of the measures to tackle the COVID-19 situation. However, this has not led to a widespread use of this channel among the jobseekers of the PES RS. Reasons for this are the lack of access to the infrastructure necessary for electronic applications and the lack of digital skills among a substantial share of jobseekers of the PES RS, especially vulnerable groups. At the same time, there is a certain hesitation to further encourage the use of electronic and digital services on the side of the PES RS since the absence of personal contact is thought to aggravate the provision of counselling services as well as controlling the availability and efforts of jobseekers.

This situation regarding the **use of service channels** is valid for all service processes for jobseekers. While there are several channels available (e-mail, online and personal) which are integrated into the CRM of the PES RS, the personal contact between jobseekers and counsellors remains the preferred and dominant option for providing services. So, the digitalisation of service provision is progressing slowly.

The **profiling** applied by the PES RS is based on the specific labour market status of the jobseeker and a set of personal characteristics such as age, gender, duration of unemployment and qualification. The results of the profiling are then linked to a **segmentation** of jobseekers according to their proximity to the labour market. This segmentation encompasses three distinct groups: easy, medium and difficult to place persons. While this task was performed automatically for a while, it soon became obvious that the results of this application were not conducive to the work of counsellors. Thus, the automatic segmentation is still in operation but can now be changed manually by counsellors if they judge the result inappropriate based on their own experience.

The **IAP**, which is drawn up by counsellor and jobseeker contains information on the jobseeker's needs for support, his or her strengths and weaknesses and the actions agreed upon to support the process of (re-)integration into employment such as frequency of meetings and activities to

be undertaken for finding employment. The IAP is mandatory for every jobseeker registered with the PES RS and has to be drawn up during 60 days after registration of a jobseeker, although this is typically done within 15 to 20 days. It forms the basis for the actual process of job mediation and matching, for which the digital application “labour exchange” is available. Usually, the duration of an IAP is valid for six months, after which the IAP is revised and adjusted, if deemed necessary and if the person is still unemployed. Apart from this fixed interval, the IAP can also be revised at the discretion of the counsellor based on the developments of the individual jobseeker’s job search process. The completion of the IAP and its quality is checked on a regular basis, also through the recently established CRM which aims at more comprehensively monitoring the counselling process.

Typically, jobseekers classified as easy-to-place do not receive any specific support while hard-to-place jobseekers are often supported with trainings or workshops. If a jobseeker fails to report on his or her activities agreed upon in the IAP, he or she can be deleted from the register of the PES RS.

With regard to further services provided to jobseekers, it should be mentioned that the implementation of the **Youth Guarantee** is currently under preparation by the PES RS but has not started, yet. At the same time, the PES RS offers information, vocational counselling, training for job search as well as support in the transition from tertiary education to the labour market (e.g. via internships) to young persons. Also, the service “professional information” supports young persons in the final grades of primary and secondary schools in the further choice of education and training.

Furthermore, there is the service “adult education and lifelong learning” offered by the PES RS. This service is meant to ensure cooperation in the implementation of adult education, retraining and training in accordance with the need of the labour market, also involving close cooperation with the Institute for Adult Education. In the course of these services, there are three core measures which can be classified as **institutional trainings** according to the EU LMP database definitions:

- provision of professional training for people without formal qualification to increase their competitiveness on the labour market
- retraining of unemployed persons in those occupations with a high demand for labour
- acquisition of skills through training.

The **services for employers** provided by the PES RS are based on an annual plan on cooperation with employers which foresees measures to intensify cooperation, e.g., with regard to an increase in the number of submitted vacancies, establishing contacts with newly established employers or cooperation for the implementation of ALMPs. To gain a better understanding of the needs of employers, the PES RS also conducts surveys among this group of customers. Especially the planning of ALMPs is based on the results of these surveys but the planning also takes into account the direct feedback received from employers in the course of service provision. Also, general information on available ALMPs is provided by the PES to employers.

The Local Offices of the PES RS are in charge of directly providing the services to employers. In bigger Local Offices, there are specialised senior counsellors for employment mediation. To coordinate activities directed at employers there are monthly plans at the local level for visits to employers to encourage their cooperation with the PES RS.

Employers are not obliged to **register their vacancies** with the PES RS. If they chose to do so, they can submit their vacancies or need for workers directly at the relevant Local Office which are then published by the PES RS and taken into account in the process of matching. The process of **matching** is carried out manually by counsellors who in standard cases chose three applicants per vacancy from the register which are most suited for the corresponding position and are then suggested electronically to the employer. In case there is no suitable candidate, this is also communicated to the employer together with potential explanations for the lack of suitable candidates. Formally, every vacancy is closed at the end of the month with a short report on measures taken to fill the vacancy. The vacancy is then reopened for the following month if no suitable candidate has been found. The applications of candidates and the filling of vacancies are monitored by the PES RS.

While employers are not obliged to report vacancies to the PES RS there is an obligation for them to submit information on redundancy programmes in case of dismissals of workers with open-ended contracts. Based on this information, the PES RS submits proposal for retraining to the employer as well as suggestions for additional training, self-employment or employment for the workers about to become redundant as **measures to prevent unemployment or shorten the duration of unemployment**.

The implementation of **ALMPs** is also an integral part of the services provided by the PES RS. Several of these are implemented under the roof of the Centres for information, counselling and training of the PES RS. Again, these can be classified, together with other services provided by the PES, with reference to the LMP database, as shown in Table 6 below.

Table 6: Services and ALMPs provided by PES RS by the LMP DB categories

1.	Labour market services are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.	
1.1.	Client services	<ul style="list-style-type: none"> - Counselling of jobseekers and employers - Individual Action Plans - "Professional information" for Youths
1.2.	Other activities of the PES	
2.	Training covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.	
2.1.	Institutional training	<ul style="list-style-type: none"> - "Adult education and lifelong learning" - Programmes offered by the "Centres for information, counselling and training": training on self-employment, skills development, motivational seminars, "Job Search Club")
2.2.	Workplace training	<ul style="list-style-type: none"> - Training with later employer
2.3.	Alternate training	
2.4.	Special support for apprenticeship	
4.	Employment incentives covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.	
4.1	Recruitment incentives	<ul style="list-style-type: none"> - Wage subsidies
4.2	Employment maintenance incentives	
4.3	Job rotation and job sharing	
5.	Sheltered and supported employment and rehabilitation covers measures that aim to promote the labour market integration of persons with reduced working capacity through sheltered or supported employment or through rehabilitation.	
5.1	Sheltered and supported employment	
5.2	Rehabilitation	
6.	Direct job creation covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.	
7.	Start-up incentives covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.	
		<ul style="list-style-type: none"> - Start-up incentives based on payment of benefits as lump sum

The programmes offered in the Centres for information, counselling and training are in general open to all jobseekers and can be considered **institutional trainings**. Core services provided in the course of the ALMPs implemented at the Centres include:

- development of skills in preparing a CV, applying for a job and interview with an employer
- development of motivation for active job search through motivation workshops
- development of skills for active positioning on the labour market
- implementation of trainings on entrepreneurship training for interested jobseekers
- collection and publication of current information on employment opportunities, education, volunteering and other relevant practices on social networks.

Especially the **motivational seminars** are directed at jobseekers who are thought to lack motivation for active job search as well as long-term unemployed jobseekers and jobseekers from disadvantaged target groups. Furthermore, the **trainings on self-employment** are a crucial means to encourage entrepreneurship among jobseekers for the PES RS. In the course of these ALMPs, an individual plan for starting up a business is developed in cooperation with the jobseeker.

More specifically, the **“Job Search Club”** is an ALMP which addresses all jobseekers who have been found to lack motivation for active job search with a strong focus on long-term unemployed persons. The services provided in these ALMPs is similar to those of the above-mentioned provided by the Centres for information, counselling and training but are aimed at a more narrowly defined target group. The most important activities during these trainings are:

- acquisition of competencies for active job search
- increasing motivation for active job search through motivational workshops
- training on the basics of entrepreneurship.

There are several indicators applied to monitor the use of the ALMPs conducted by the Centres for information, counselling and training, such as:

- number of persons who have participated in the training for writing a CV and preparing for an interview with an employer
- number of persons who participated in entrepreneurship training
- employment of persons who participated in the ALMPs provided
- number of published pieces of information on the pages of the PES RS centres.

An evaluation of the satisfaction of participants with the services provided is also an integral part of the ALMPs implemented by the Centres for information, counselling and training as well as

regular internal thematic meetings on the improvement of the services provided. Also, in this case the implementation is monitored through several indicators.

- share of long-term unemployed among participants
- share of employable persons with a lack of motivation for active job search among participants
- share of youths among participants
- number of participants who completed entrepreneurship training
- number of participants who completed training for writing CVs and interviews with employers
- number of persons included in intensive support programmes after becoming long-term unemployed
- employment of jobseekers who participated in the ALMPs.

Further ALMPs implemented by the PES RS include **start-up incentives** which support the self-employment of jobseekers with the payment of all the unemployment benefits they are entitled to according to their eligibility in a lump sum.

Also, for employers, there is an ALMP which allows the refunding of taxes and social security contributions for the previous year for unemployed persons hired by an employer in case the number of employees has increased at the end of the year when compared to the end of the previous year. This ALMP can be classified as an **employment incentive**.

Wage subsidies are also available for employers and their payment is conditional on a mandatory period of employment of the person for whom the subsidy is paid.

Another ALMP is the provision of specific **workplace training** of jobseekers for a following employment with a specific employer. This ALMP requires an agreement to conclude an employment contract between employer and jobseeker after the training is completed.

In general, the PES RS does not provide vocational training apart from its Centres for information, counselling and training since this task is not covered by its mandate. Instead, these services are contracted out to external service providers such as educational institutions and NGOs based on decisions made by the Governing Board with regard to the employment action plan of the PES RS. The service providers are responsible for the quality and performance of their services which are monitored by the PES RS. All contracting is performed by the Head Office of the PES RS.

Overall, it was stressed by the PES RS during the peer review that although the ALMPs implemented are quite numerous, the overall number of participants remains relatively low, thus making it a priority for the PES to encourage the use of ALMPs among jobseekers and employers. This points to one core recommendation regarding the strengthening of ALMPs. Additionally, the classification

according to the LMP database highlights the fact that there are currently no measures of **direct job creation** implemented by the PES RS. Since these measures usually target the most vulnerable groups on the labour market, it might be worth considering to at least pilot the implementation of a public works programme focusing on socially useful tasks to provide also support to this group of jobseekers.

Public Employment Service of Brčko District – PES BD

After the initial **registration** with the PES the **service provision to jobseekers** starts with the process of **profiling**. For the profiling, several characteristics and types of information are considered:

- education
- work experience
- skills and competencies
- affinities
- social status (especially belonging to a vulnerable group)
- general psychophysical condition.

As is the case for the PES FBiH, there is no mandatory list of characteristics or obligatory information to be collected during every profiling for the PES BD. Instead, the decision on the required information is mainly left to the discretion of the counsellor, relying on his or her professional judgement. Based on this judgement, jobseekers are then grouped according to their most relevant characteristics with regard to their labour market situation, specifically their distance to the labour market. There are three **segments**:

- easily or directly employable person
- medium, i.e., conditionally employable person
- difficult-to-employ person.

These general classifications are then used to determine the most relevant services for different types of jobseekers. For example, the support to jobseekers considered easy-to-employ is mainly restricted to the provision of information, while those jobseekers who are classified as hard-to-employ receive in-depth counselling. In the provision of services to jobseekers there is no specialization among counsellors with regard to individual groups.

An **IAP** is also concluded with jobseekers, usually covering a time span of six months. This document is prepared by the counsellor in cooperation with the jobseeker and contains information on the agreed-upon actions to support the job search process. These actions are obligatory for the jobseeker. After six months, the IAP can be revised if deemed necessary. Typical actions

documented in the IAP include the application for co-financing measures for employment or self-employment as well as obligations regarding active job search.

For the provision of services there are several **channels of service provision** available: telephone, e-mail, web portal, bulletin board as well as face-to-face meetings. Procedures were simplified and supplemented by electronic services during the COVID-19 pandemic, especially with regard to registration and reporting duties of jobseekers. Although these changes were appreciated by jobseekers and in spite of the increased speed and efficiency of digital services, representatives of the PES BD still see a higher degree of control during personal meetings as a crucial advantage for this channel of service provision. However, just prior to the peer review the PES BD launched a new online application, eOffice, which offers several online services:

- matching of jobseekers and vacancies - employers are enabled to view the CVs of unemployed persons whose profiles meet the conditions of their vacancy according to a percentage calculated by the system
- employer registration
- registration of unemployed persons
- posting vacancies (employers)
- filling out a CV
- searching vacancies (jobseekers)
- basic information about the PES BD.

This application can be considered a valuable step in the process of digitizing services for both jobseekers and employers by the PES BD.

Regarding additional services it has to be mentioned that the **Youth Guarantee** is currently not implemented in the Brčko District of Bosnia and Herzegovina, as defined by the EU. But still, **career counselling and guidance**, information, measures for gaining first work experience and employment of young people up to 30 years of age are carried out by public invitation.

As could already be seen in the description of eOffice, there are also several **services offered by the PES BD to employers**. These services, though, are not based on a specific strategy but on the general employment strategy 2021-2027. Strategically, wage-subsidies for employers are considered one of the most crucial services while the overall goals regarding employers aim at establishing more cooperation, matching demand and supply as well as developing IT support for employers and support in the professional development of their employees. There is no segmentation applied to the employers, e.g. regarding size or sector.

Two specialized counsellors for employers are currently in charge of servicing employers although there are plans to deploy additional staff to this task. The most common services provided to employers are:

- publication of vacancies
- support in candidate selection (pre-selection, interview, mini job fairs)
- provision of ALMPs / incentives
- legal advice on employment procedures
- issuing of work permits.

Most of the communication with employers is conducted electronically, both via e-mail and the above-mentioned eOffice. Feedback on the employer services is not collected systematically but restricted to any feedback obtained in direct contact with employers during the course of service provision.

The PES BD implements **ALMPs** as part of the portfolio of its service provision. To provide a structured overview and classification, the reference of the EU LMP database is applied to this case as well, as can be seen in Table 7 below.

Table 7. Services and ALMPs provided by PES BD by the LMP DB categories

1.	Labour market services are all services and activities undertaken by the PES together with services provided by other public agencies or any other bodies contracted under public finance, which facilitate the integration of unemployed and other jobseekers in the labour market or which assist employers in recruiting and selecting staff.	
1.1.	Client services	<ul style="list-style-type: none"> - Counselling of jobseekers and employers - Individual Action Plans
1.2.	Other activities of the PES	
2.	Training covers measures that aim to improve the employability of LMP target groups through training, and which are financed by public bodies.	
2.1.	Institutional training	<ul style="list-style-type: none"> - "Preparation for the labour market" - "Employment for hard-to-employ categories"
2.2.	Workplace training	
2.3.	Alternate training	
2.4.	Special support for apprenticeship	
4.	Employment incentives covers measures that facilitate the recruitment of unemployed persons and other target groups, or help to ensure the continued employment of persons at risk of involuntary job loss.	
4.1	Recruitment incentives	<ul style="list-style-type: none"> - "Employment for hard-to-employ categories" - "Roma Employment"
4.2	Employment maintenance incentives	
4.3	Job rotation and job sharing	
5.	Sheltered and supported employment and rehabilitation covers measures that aim to promote the labour market integration of persons with reduced working capacity through sheltered or supported employment or through rehabilitation.	
5.1	Sheltered and supported employment	
5.2	Rehabilitation	
6.	Direct job creation covers measures that create additional jobs, usually of community benefit or socially useful, in order to find employment for the long-term unemployed or persons otherwise difficult to place.	
7.	Start-up incentives covers measures that promote entrepreneurship by encouraging the unemployed and other target groups to start their own business or to become self-employed.	
		<ul style="list-style-type: none"> - "Employment in agriculture in Brcko District" - Start-up incentives for persons registered with the PES BD - "Roma Employment"

One of the ALMPs implemented by the PES BD is the **institutional training** “Preparation for the labour market” which covers courses from a variety of areas based on the interest expressed by jobseekers. In the recent past, courses in German have proven to be particularly popular, which follows a general trend in the labour market which can be seen in the numerous vacancies which require knowledge of the German language. Other popular areas of training are accounting and bookkeeping for independent entrepreneurs as well as graphic and web design.

Another ALMP, “Employment for hard-to-employ categories”, is dedicated specifically to the support and counselling of those jobseekers facing severe obstacles in the process of re-integration into the labour market. This program for employment of hard-to-employ-categories is supported by the BD PES in the amount of 500,000 EUR. About 130 persons from the mentioned categories are employed through this program on an annual basis. About 40% of persons employed through this program are women. The main target groups are:

- long-term unemployed persons (more than 12 months),
- unemployed obtaining their first work experience,
- younger unemployed (up to 30 years of age),
- older unemployed (50 years or more),
- persons with disabilities (disability 50% or more),
- family members of fallen soldiers and war invalids,
- civilian victims of the war and children of civilian victims of war.

This ALMP aims at providing guidance for these groups on the choice of a promising path of education based on the current and expected demand on the regional labour market. At the same time, the exchange and cooperation with both employers and educational institutions is to be strengthened with the implementation of this programme, thus supporting a balance of supply and demand on the labour market. To further encourage the hiring of persons from the above-mentioned target groups, this measure also allows the support of employment through co-financing of the gross salary of jobseekers hired by employers. Given these diverse elements, this ALMP can be classified as both **institutional training** and **recruitment incentive**.

A more specific ALMP is implemented for members of the Roma minority. For the ALMP “Roma employment”, unemployed members of the Roma minority registered with the PES BD as actively seeking employment can receive either wage subsidies for employers who hire them or they can receive co-financing in case of becoming self-employed. This programme which combines the ALMP types **recruitment incentives** and **start-up incentives** is funded by the Ministry of Human Rights and Refugees of Bosnia and Herzegovina with the main goal of increasing the employment of persons from the Roma minority. To achieve this, about 24,000 EUR have been provided in total since December 2020, which has led to four contracts with employers for the employment of four Roma persons for a period of 24 months. The programme “Employment in agriculture in Brcko District” is

a sector-specific ALMP which is aimed at encouraging self-employment in this sector by providing **start-up incentives** while at the same time furthering the development of agriculture in the region. Any person from the register of the PES BD is eligible for financial support during self-employment in agriculture. The total budget of this programme amounts to 250,000 EUR, which is provided by the Budget of the Brčko District, Department for Agriculture, Forestry and Water Management. Each project can be funded with a maximum of 10,000 EUR.

Finally, there is another **start-up incentive** which is implemented in cooperation with the Government of the Brčko District. This ALMP provides co-financing for the start-up of private businesses of persons registered as actively looking for a job with the PES BD, regardless of education. This program is funded by the Department of Economic Development, Sport and Culture of the Brčko District Government in the amount of 250,000 EUR. Through this program, on average, up to 45 self-employed persons are supported annually. The sustainability of this program after two years is 50%, according to PES BD statistics. All business plans are evaluated with regard to their suitability to ensure employment.

For the implementation of services and ALMPs in general, the PES BD also contracts external service providers, sometimes also to implement services in cooperation with the PES BD. The decision on contracting out services is based on an assessment of whether the PES BD has the necessary human resources and whether the implementation of a particular programme requires a licensed institution or company that has specific legal permits to perform a particular activity. Typically, the service providers are NGOs, universities, adult education schools or IT companies. For each engagement of an external service provider, the PES BD must comply with the Public Procurement Law and all services are procured through a public call. In many cases, the external providers implement activities for which the PES BD does not have an authorization, such as issuing diplomas or certificates.

Based on this overview structured according to the LMP database classification, one thing worth highlighting is the fact that the PES BD tends to combine different types of ALMPs in one programme. From a practical perspective this is not a problem, but at the same time this leads to multiple classifications of one programme. Regarding the range of ALMPs currently implemented, there is a relatively strong focus on start-up incentives and institutional trainings. At the same time, **workplace training** is not offered to jobseekers but might be a relevant addition to the portfolio of the PES BD since it combines training with direct access to an employer which in many cases has proven to be efficient. **Direct job creation** is another type of ALMPs not covered by the PES BD. Since these measures usually provide support to the most vulnerable groups, this could be another ALMP worth offering to jobseekers of the Brčko District.

4. The labour market development 2019-2021

The development of the labour market in Bosnia and Herzegovina over the last three years is dominated by the impact of the COVID-19 pandemic. Due to the outbreak of the pandemic, Bosnia and Herzegovina has faced a stark drop in GDP in 2020, compared to 2019⁴, from a growth of about 3% to a drop of approximately 3%. In conjunction with the drop in GDP, Bosnia and Herzegovina experienced a rise of the annual inflation rate. These trends are similar to those observed in the EU during and following the COVID-19 pandemic.

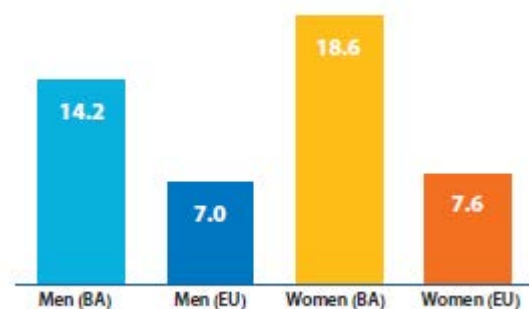
The unemployment rate in Bosnia and Herzegovina for 2020 is around 14.2% for men and 18.6% for women, which is about twice and 2.5 times higher compared to the EU average. Data for 2019 show that unemployment for men ranges from 9.5% in Republika Srpska to 22.5% in the Brcko District with 18.4% in the Federation of Bosnia and Herzegovina. This high degree of variation is similar for women but with higher overall unemployment levels, ranging from 14.7% in Republika Srpska to 27.8% in the Brcko District and 21.7% in the Federation of Bosnia and Herzegovina.

With 40%, the overall employment rate of women is very low in Bosnia and Herzegovina, although an increase by 10 percentage points since 2016 points to an improvement of the situation. This said, the level is around 30% below employment rates in the EU. The situation appears to be slightly better for men with employment rates at around 75%, which is about 10 percentage points below the EU average.

At 36.6%, the rate of youth unemployment in Bosnia and Herzegovina is twice the value of the EU average, meaning that about one in three persons from 15 to 24 years is unemployed. Like in the EU, the share of youth with tertiary education is about 10 percentage points higher for women than for men with 34% and 23.2%, respectively. These levels, too, are about 10 percentage points below EU levels.

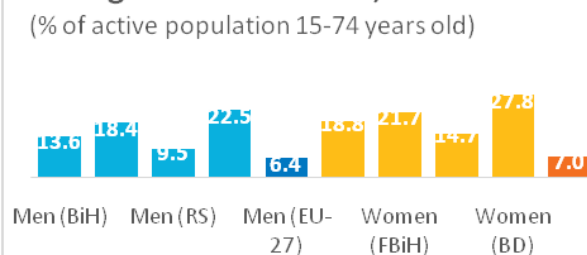
4 Year on year change in percentage

Unemployment rate, Bosnia and Herzegovina and EU, 2020
(% of active population 15-74 years old)



Note: Bosnia and Herzegovina: data supplied by and under the responsibility of the national statistical authority.

Unemployment rate, Bosnia & Herzegovina and EU-27, 2019
(% of active population 15-74 years old)

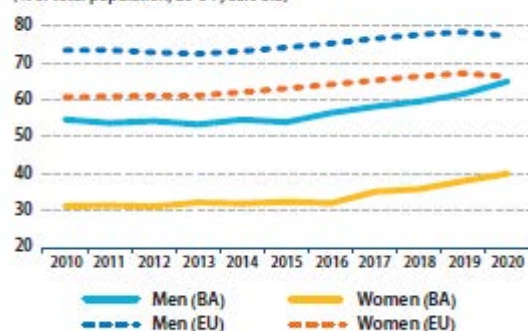


Youth unemployment, 2020
(% of labour force aged 15-24 years)

36.6
EU: 17.5

Note: Bosnia and Herzegovina: data supplied by and under the responsibility of the national statistical authority.

Employment rate, Bosnia and Herzegovina and EU
(% of total population, 20-64 years old)



Note: Bosnia and Herzegovina: data supplied by and under the responsibility of the national statistical authority.

Young people with tertiary education degree, 2020
(% of population aged 30-34 years old)



Note: Bosnia and Herzegovina: data supplied by and under the responsibility of the national statistical authority.

Source: Eurostat, *Basic figures on enlargement economies*⁵.

Activity rates for Bosnia and Herzegovina for the working age population (15-64) are low as barely above half the working age population is active (51.7%) with quite stark differences between men and women (64.0% vs 39.7%), see Table 8 below. In comparison, the activity rate for the EU is 72.7% overall for the working age population.

Table 8 Activity rate, %

Age group	2019			2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-24	39.8	29.3	35.0	n.a.	n.a.	n.a.	40.5	34.8	37.8
50-64	55.7	27.4	40.9	n.a.	n.a.	n.a.	69.9	56.2	62.9
15-64	64.0	39.7	51.7	n.a.	n.a.	n.a.	78.2	67.3	72.7

As briefly discussed above, the employment rates in Bosnia and Herzegovina are largely higher for men than women in the working age population as 44.6% of men in the working age population are employed as compared to only 18.5% for women. This is a large gap from the EU value of 72.1% for men and 53% for women. The employment rate is especially low for young people with 17.9% overall. This should be of concern for the economy in relation to the relatively high percentage of women with tertiary education, indicating that many well-trained women are not employed in the economy.

Table 9 Employment rate, %

Age group	2019			2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-24	23.3	12.4	17.9	n.a.	n.a.	n.a.	33.8	29.0	31.4
50-64	39.7	15.0	27.2	n.a.	n.a.	n.a.	65.6	53.1	59.2
15-64	44.6	18.5	31.5	n.a.	n.a.	n.a.	72.1	53.0	59.7

Unemployment rates in Bosnia and Herzegovina are relatively high compared to the EU average with 24.7% overall for Bosnia and Herzegovina and 7.2% for the EU average. The situation is especially worrying for the young people with 48.7% unemployed. This points to a rather difficult access to employment for young people in the economy and the high risk of out-migration of the better trained young people, mainly towards the EU.

Table 10 Unemployment rate, %

Age group	2019			2020			EU-27, 2020		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
15-24	50.1	46.0	48.7	n.a.	n.a.	n.a.	16.9	16.7	16.8
50-64		22.6	18.8	n.a.	n.a.	n.a.	5.2	5.1	5.2
15-64	23.1	28.5	24.7	n.a.	n.a.	n.a.	7.0	7.5	7.2

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

The data available for the calculation of performance indicators for the PES FBiH show a positive trend in transitions to employment from registered unemployment with 2.9% transition rates for 2021 and an average monthly outflow of 742 unemployed to employment in 2021, rising from 545 persons in average per month in 2019.

Table 11. PES performance indicators - Federation of Bosnia and Herzegovina

Indicator	Unit	2019	2020	2021
Transition from the RU	Average monthly outflow	2.1%	2.5%	2.9%
Transition from unemployment to employment	Average monthly outflow	545	680	742
Fast (within 6 months) transitions	Average monthly outflow	n.a.	n.a.	n.a.
Medium (within 12 months) transitions	Average monthly outflow	n.a.	n.a.	n.a.
Share of RUs employed	Monthly average	n.a.	n.a.	n.a.
Number of vacancies notified to the PES per month	Average monthly inflow	n.a.	n.a.	n.a.
Relationship RUs/vacancies	Monthly average	n.a.	n.a.	n.a.

On the one hand, this points to the recovery of the labour market from the impact of the COVID-19 pandemic. On the other hand, it should be noticed that these transition rates are relatively low when compared with the values for EU PES with a minimum of 3.1%. One possible explanation for this observation is the difficult situation regarding the register of the PES FBiH since it was stressed during the peer review that a relevant share of persons registered with the PES FBiH cannot be considered to be actively looking for a job.

Public Employment Service of Republika Srpska – PES RS

The transition rates for the PES RS displayed in Table 12 below display a decrease from 2019 to 2020 with the COVID-19 pandemic and a recovery in 2021, although the average monthly outflows continue to decrease, probably indicating that the overall number of registered unemployed have decreased with probable transitions into inactivity (early retirement, return to education) or migration abroad. The recovery of the labour market is also reflected in the increase of the total number of vacancies registered with the PES RS which amounted to only 1,088 in 2020 but increased to 1,579 in the following year.

Table 12. PES performance indicators - Republika Srpska

Indicator	Unit	2019	2020	2021
Transition from the RU	Average monthly outflow	4.1%	2.9%	3.4%
Transition from unemployment to employment	Average monthly outflow	544	414	401
Fast (within 6 months) transitions	Average monthly outflow	45.40%	56.50%	51.50%
Medium (within 12 months) transitions	Average monthly outflow	63.10%	73.00%	70.10%
Share of RUs employed	Monthly average	7.30%	5.70%	6.30%
Number of vacancies notified to the PES per month	Average monthly inflow	1,217	1,088	1,579
Relationship RUs/ vacancies	Monthly average	n.a.	n.a.	n.a.

Fast transition to employment has increased from 2019 to 2020 and slowed down in 2021, from 45% to 56% and back to 51%. This indicates that about half of all transitions from registered unemployment to employment happen within six months of registering as unemployed. Medium term transition represents 70% of all transitions among the registered unemployed in Republika Srpska in 2021.

Public Employment Service of Brčko District – PES BD

The transition rates for Brčko District also show improvement from 2019 to 2021 with a steady increase of average monthly outflows. The transition rates are lower than in the two entities and can be considered very low in the general context of PES. Again, the situation with the register outlined for the PES FBiH might be a relevant explanation also in this case. In contrast to the other PES, though, the amount of vacancies posted with the PES BD was lower in 2021 with 41 vacancies than it was in 2019 where 74 vacancies were registered.

Table 13. PES performance indicators - Brčko District

Indicator	unit	2019	2020	2021
Transition from the RU	Average monthly outflow	1.0%	1.5%	2.5%
Transition from unemployment to employment	Average monthly outflow	75	104	163
Fast (within 6 months) transitions	Average monthly outflow	35.30%	47.00%	31.70%
Medium (within 12 months) transitions	Average monthly outflow	35.20%	49.30%	196.20%
Share of RUs employed	Monthly average	2.70%	5.10%	4.60%
Number of vacancies notified to the PES per month	Average monthly inflow	74	24	41
Relationship RUs/ vacancies	Monthly average	:	:	:

5. Most important developments since ESAP 1

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

One example for a relevant achievement during the last years in the field of competence of the LEA concerns the implementation of an agreement on social security with Serbia. The modified agreement is supported not only by representatives from the LEA and Serbia but also by other PES in Bosnia and Herzegovina. This agreement is expected to facilitate the regional cooperation. In a similar manner, a proposal for a revised agreement of Bosnia and Herzegovina citizens in Slovenia has recently been prepared.

Another field of competence of the LEA which has been further developed over the last years is the collection and analysis of data. To this end, data on unemployment is collected from the other PES of Bosnia and Herzegovina on a monthly basis as well as macro indicators provided by the Central Bank of Bosnia and Herzegovina. To support this process, protocols on data exchange have been established with all relevant institutions. However, the aggregation and analysis of the data provided by the different institutions still displays significant room for improvement. This is also the area where the process of digitalisation and its further development is pursued most intensively by the LEA. Although digital channels of communication are in use at the LEA, specifically e-mail and the website www.arz.gov.ba, it is envisaged to increase the scope of digital services although this depends on the availability of technical and financial means which currently remains unclear.

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

Since ESAP 1, a significant step in the organisational development of the PES FBiH has been taken with the introduction of the international standard ISO 9001: 2008. Although the license for this standard has not been renewed due to financial reasons, it is applied as important, but not crucial benefit in the everyday practice of the PES as an approach to standardisation and documentation of processes throughout the offices of the PES FBiH.

The establishment of a specialised organisational unit focussing on research and monitoring also marks a relevant progress of the last years. A core task of this unit refers to monitoring and evaluating ALMPs as well as online advertising of ALMPs and the methods of application. Currently, this unit only deals with evaluations on the level of the Federation of Bosnia and Herzegovina, but there are plans to install corresponding units also on the cantonal level. In addition, there are evaluations of ALMPs conducted by external providers and NGOs which specifically assess the net effect of certain

programmes chosen for in-depth evaluations either by the relevant expert group, the Governing Board or the Government of Bosnia and Herzegovina or one of its cantons.

Another area of competence where analytical efforts have been increased over the last years refers to the needs of employers and a specific strategy for servicing this group of customers. On the one hand, a strategy for the cooperation with employers is currently under drafting. On the other hand, surveys are conducted among employers to identify their needs. Together with a specialized unit for working with employers on the level of the Federation of Bosnia and Herzegovina these endeavours point to an intensified support for employers as important customers of the PES FBiH.

A fourth development worth highlighting is the development and establishment of a risk register. To this end, potential risks are collected across all areas and sectors of the PES FBiH which are then integrated into a shared risk register which is updated on a regular basis. This awareness for risks is further reinforced through internal audits and ongoing regular dialogues on risks during meetings.

The digitisation of services in the PES FBiH has progressed over the last years, not least due to the pressure of the COVID-19 pandemic. Notable developments include the possibility for unemployed persons to register and report online. More advanced services like online counselling have not been implemented yet, both because of a lack of digital literacy and access to the required infrastructure among some of the PES FBiH customers and the reduced possibility to control the reporting duties of jobseekers. Also, advanced digital tools in the IT infrastructure, like automatic matching, have not been implemented so far. Thus, there are still some steps to be taken in the process of digitisation for the PES FBiH.

Public Employment Service of Republika Srpska – PES RS

Two recent developments in the PES RS follow. Firstly, the PES RS also founded a new department specialised in the evaluation of ALMPs whose employees have received relevant training from the World Bank to perform this task. While up to now, evaluations have been mainly conducted by external experts this task has now become an integral part of the portfolio of the PES RS. However, this unit is still relatively new and especially the availability of relevant and reliable data poses a considerable challenge.

Secondly, there are currently plans to implement a stronger standardisation of processes. As a part of this ongoing process manuals are developed which might also result in the implementation of the above-mentioned ISO standards.

A noteworthy progress in the technical development of the PES RS has been achieved in the area of the digital support structure. Cases in point are the introduction of a Customer Relationship Management (CRM) to collect data on the unemployed and the needs of employers, the establishment of a Business Intelligence (BI) system and an intensified exchange of data with the Tax Administration, the Agency for Identification Documents and the official data portal of Bosnia and Herzegovina (iddeea.gov.ba).

The development of an automatic approach to matching employers and jobseekers marks another relevant step. The data base applied by the PES RS for matching is relatively broad, also including ESCO standards, making this a potentially powerful tool for the everyday work of the PES RS. Again, this tool was developed with support from the World Bank which also points to the potential gains of cooperation with NGOs in the further development of a PES.

The two last-mentioned developments already point to the relevance of digitisation for the PES RS. So far, this effort is mainly restricted to internal services and the IT infrastructure, though. One major reason, as in many other PES in the region, is the lack of digital literacy among certain sub-populations like elderly people and vulnerable groups, but also the fact that most jobseekers still prefer personal contact when dealing with the PES RS. Still, there are plans for further digitising the services of the PES RS, e.g., by developing a new website and providing an online application for ALMPs. Another plan is to encourage online registration via e-mail among those jobseekers with sufficient skills. However, personal follow-up meetings are to remain obligatory to validate the online application.

Public Employment Service of Brčko District – PES BD

One of the most relevant developments of the PES BD refers to the introduction of a new website and corresponding digital services for customers (eOffice). This digital channel allows the online registration of jobseekers as well as the posting of vacancies by employers, thus facilitating the procedure of matching.

At the same time, the launch of the new digital platform eOffice is the most relevant example for the digitisation of processes in the PES BD. But also, the use of digital communication with jobseekers and employers in general has increased over the last years, a process which, as in most cases, benefited from the COVID-19 pandemic. And although the use of e-mail and eOffice are generally encouraged by the PES BD, there remains a certain scepticism regarding the application of digital services since they are considered to lack the same possibilities for ensuring the presence and availability of jobseekers as personal contact does.

During the last months, the PES BD has also started addressing a situation which is relevant for all of the Bosnia and Herzegovina PES, clarifying the unemployment status of all persons registered with the PES. As in the other Bosnia and Herzegovina PES, it is often difficult to identify those persons among the recipients of benefits who are actually and actively looking for a job. By combining the registers on various benefits and unemployment, the PES BD is seeking to gain more clarity on this issue. This would also help reduce the caseload of counsellors since this would allow them to focus their support on those persons who are really looking for a job.

Another focus of the PES BD has been the further development of services for employers. The needs of employers are surveyed and based on the results, trainings for jobseekers

6. Impact of COVID-19 on the labour market and the PES services

During the early stages of the pandemic, the governments of Bosnia and Herzegovina reacted quickly and followed global recommendations on prevention and control of the spread of the virus. Governments also increased the capacity of the public health sector and redirected health workers to the departments that specialised in the treatment of COVID-19. Despite the measures and efforts in containing the virus at the beginning of the pandemic, easing of the containment measures resulted in an increase in the number of cases and the epidemic curve reached its peak in the autumn 2020⁶.

The growth model of BiH was vulnerable even before the COVID-19 crisis, so consumption accounted for almost 70% of growth in recent years. Consumption growth has been fuelled by higher public spending and by one-off wage policies and near double-digit growth in household lending, raising questions on the sustainability of the growth driven by consumption⁷. According to an ILO study⁸, the impact of the COVID-19 pandemic had a serious and long-lasting impact on the Bosnia and Herzegovina economy and labour market. The most important consequences were the changes in the number of working hours. ILO estimations show that 9.7% of total working hours in Bosnia and Herzegovina were lost due to the pandemic in 2020, which is equivalent to the loss of 110,400 jobs. The mentioned estimated loss of working hours was higher than the global estimate (8.8%) as well as the estimated average for Eastern Europe (7.4%).

Although the disturbance of trade routes and supply chains created an opportunity for domestic companies to step in and grow, the pandemic posed a major challenge to the manufacturing sector, whose value chains had been obstructed in the upstream and downstream. The accommodating fiscal policy, loan repayment moratoria and other measures adopted at the onset of the COVID-19 pandemic have also been extended in 2022. Other special measures, such as a grace period for repaying loans and a longer maturity for annuity loan repayments, have also been extended into 2022.

6 Regional Cooperation Council (2021). *The Impact of the COVID-19 Pandemic in Bosnia and Herzegovina*, Sarajevo: Regional Cooperation Council, available on <http://www.arz.gov.ba/Dokumenti/Fajlovi/The%20impact%20of%20the%20COVID19%20Pandemic%20in%20BiH.pdf>.

7 World Bank (2020). The Economic and Social Impact of COVID-19, *Western Balkans Regular Economic Report No.17, Spring 2020*, Washington DC: World Bank, available on <https://openknowledge.worldbank.org/handle/10986/33670>

8 Arandarenko, Mihail; Corbanese, Valli; Numanovic, Amar; Petreski, Marjan; Zampini, Daniela (2021). *Covid-19 and the world of work: Bosnia and Herzegovina: assessment of the employment impacts and policy responses*, Geneva: ILO; London: EBRD; available on https://labordoc.ilo.org/discovery/fulldisplay?docid=alma995115493502676&context=L&vid=41ILO_INST:41ILO_V2&lang=en&adaptor=Local%20Search%20Engine&tab=ALL_ILO&query=creator.exact.Zampini,%20Daniela&facet=creator.exact.Zampini,%20Daniela

The LEA with the support of the RCC ESAP 2 project published the study on the consequences of the COVID-19 on the labour market in Bosnia and Herzegovina⁹. The majority of employers in 2020 experienced a decline or stagnation in the volume of business, which was reflected in the financial results. These consequences manifested themselves in a decrease in demand for products and services. But also, the mandatory isolation of staff and work in shifts made it more difficult to ensure the functioning of companies. Particularly affected by the COVID-19 crisis were employers in hotels and restaurants, administrative and support service activities, and transport and storage. In mentioned sectors, a significant percentage of employers reported a decline or stagnation in business volume and financial effects. Encouraging is the fact that in the field of information and communication a significant percentage of companies (31%) stated a positive trend, i.e., a growth of financial results. Regarding the business volume, small businesses were more affected by the COVID-19 pandemic than medium and large ones. Therefore, only 20.8% of small businesses entities reported that in 2020 there was an increase in business volume, as opposed to 35.0% of large and 28.5% of medium ones. When analysing the assessment of financial results for each category of enterprises by size, 46.7% of small enterprises, 38.9% of medium and 36.4% of large enterprises reported a decrease in financial results. Similar to the assessment of business volume, these results indicate that small businesses were more affected. However, regarding the number of employees small businesses grew by 0.26%, medium-sized and large companies shrank by 0.3% and 2.93%, respectively. While the decline of the number of employees for the whole economy was 1.6%, the largest decline was recorded for the sector of hotels and restaurants with 19%.

Analysis of the situation on the labour market in Bosnia and Herzegovina by the Regional Cooperation Council (2021)¹⁰ showed that the crisis caused by the COVID-19 pandemic had an impact on the most vulnerable categories of the working age population. The restriction measures most affected those sectors that employ workers with lower income and generally poor working conditions. An additional problem was the large share of women and young people in the given sectors, who were the most vulnerable categories even before the pandemic with a very low activity rate and a high unemployment rate.

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

With the goal to lessen the adverse consequences of the COVID-19 on the labour market, the LEA in collaboration with the PES at the FBiH, Republika Srpska and Brčko District level prepared the document 'Plan and Directions of Active Labour Market Policies and Employment Measures in Bosnia and Herzegovina for 2020'¹¹. The main activities of public employment services in Bosnia

9 Agencija za rad i zapošljavanje Bosne i Hercegovine (2021). Istraživanje tržišta rada u Bosni i Hercegovini 2020/2021, Tematski izvještaj: Uticaj covid-19 na tržište rada (The Survey on Labour Market in Bosnia and Herzegovina 2020/2021 Thematic Report: The Impact of the Covid-19 on Labour Market), Sarajevo: Agencija za rad i zapošljavanje Bosne i Hercegovine.

10 Regional Cooperation Council (2021). The Impact of the COVID-19 Pandemic in Bosnia and Herzegovina, Sarajevo: Regional Cooperation Council, available on <http://www.arz.gov.ba/Dokumenti/Fajlovi/The%20impact%20of%20the%20COVID19%20Pandemic%20in%20BiH.pdf>

11 Agencija za rad i zapošljavanje Bosne i Hercegovine (2020). Plan o smjernicama politika tržišta rada i aktivnim mjerama zapošljavanja u Bosni i Hercegovini za 2020. godinu, Sarajevo: Agencija za rad i zapošljavanje Bosne i Hercegovine, available on <http://www.arz.gov.ba/Dokumenti/Fajlovi/Smjernice%202020%20konacne.pdf>.

and Herzegovina in 2020 were directed at ensuring ALMPs for vulnerable target groups in the labour market, improving the content and efficiency of service provision to employers and jobseekers, monitoring the situation in the labour market and improving the exchange.

To adapt the working conditions of PES staff to the COVID-19 situation, the LEA issued an Instruction on the actions of the Agency for Labour and Employment of Bosnia and Herzegovina in connection with the threat to the life and health of employees caused by the presence of the COVID-19 virus in March 2019. The Instruction determines behaviour under the conditions of the COVID-19 pandemic regarding:

- minimum work processes
- remote work
- mode of work and communication with customers.

However, since the LEA itself does not work directly with jobseekers or employers, these adjustments were of less relevance to the everyday business of their own staff.

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

In the Federation of Bosnia and Herzegovina, the Government declared a state of natural disaster on 16 March 2020 and proposed a programme of measures to mitigate the consequences of the pandemic. The Economic and Social Council of the Federation of Bosnia and Herzegovina endorsed the proposal on 19 March 2020. On 7 May 2020, the Parliament of the Federation of Bosnia and Herzegovina adopted the law on mitigation of the negative economic consequences of COVID-19, with the aim of providing support to enterprises across all sectors. In the Federation of Bosnia and Herzegovina, the wage subsidy scheme implemented to keep persons in employment was relatively weak in terms of intensity (37.2% at the level of the minimum wage); it had very limited requirements for enterprises and was overall progressive with regard to firms and workers supported. That means that the most intensive support is provided for workers and firms at low wage levels. However, it should be noted that a significant number of the working age population are excluded from the social insurance system due to their work in the informal economy, long-term unemployment and non-participation in the labour market¹².

As the government declared a state of natural disaster with a desire to preserve the health of its employees and users of its services, shift work and flexible working hours were introduced as well as online work for staff with particular risks. Also, the shared spaces in offices were reduced. Regarding the service to customers, the crisis staff decided on specific measures, which included online registration, online reporting and regular reporting by e-mail. Career counselling and

¹² International Labour Organization (2022). *Issues in Social Protection in Bosnia and Herzegovina: coverage, adequacy, expenditure and financing*, Geneva: International Labour Organization, available on https://www.ilo.org/budapest/what-we-do/publications/WCMS_842891/lang--en/index.htm

information were postponed and deadlines adapted to the new circumstances. In the development of these measures, all units of the PES FBiH were involved. Although there is no comprehensive assessment of the reactions to these measures, the health of most employees was preserved and the implementation of core processes ensured, albeit with a reduced scope. It is expected that the current plans for crisis situations will be adapted based on the lessons learnt from the COVID-19 pandemic so far.

Public Employment Service of Republika Srpska – PES RS

The government of the Republika Srpska declared a state of emergency on 16 March 2021, thereby establishing a Centre for Emergency Situations (Crisis HQ). On 28 March 2020, this decision was superseded by the decision on the state of emergency adopted by the National Assembly of the Republika Srpska (lifted on 20 May 2020), which empowered the President as the commander of the Crisis HQ to pass decrees with the force of law (decree-laws).

The Crisis HQ passed several decisions and decrees aiming at mitigating the impact of the pandemic. The government of the Republika Srpska applied a non-differentiated approach to employment retention schemes, attempting to compensate all enterprises for their losses, regardless of sector. Although the support provided for job retention schemes ultimately reduced the number of layoffs, there was no obligation for enterprises to retain workers after receiving subsidies. Therefore, despite the very strong immediate risk, due to the government support, the majority of the jobs has been saved and registered unemployment did not increase as strongly as feared initially.

The PES RS adjusted its business processes to the situation of the COVID-19 pandemic, thus also following the government's decision on the operating of public institutions. This meant that face-to-face communication with customers was suspended and replaced by communication via phone or e-mail. Furthermore, during the pandemic, unemployed persons did not have the obligation to report to the PES RS on a regular basis. Instead, their status was considered as if they had reported regularly. The problems in the provision of services during the pandemic pointed to the need of the PES RS to expand communication with customers not only through personal contact, but also in alternative ways.

Public Employment Service of Brčko District – PES BD

To address the COVID-19 situation, the Brčko District adopted a decision in November 2020 according to which health care costs related to COVID-19 cases would be covered for citizens not covered by health insurance during the pandemic¹³. Furthermore, one-off assistance was paid to the registered unemployed in Brčko District in 2020.

The majority of employers recorded stagnation or decline in business volume and financial losses due to the COVID-19 pandemic. However, despite the pandemic, the majority of employers did not

13 International Labour Organization (2022). *Issues in Social Protection in Bosnia and Herzegovina: coverage, adequacy, expenditure and financing*, Geneva: International Labour Organization, available on https://www.ilo.org/budapest/what-we-do/publications/WCMS_842891/lang-en/index.htm

have a change in the number of employees (76.35%). Furthermore, the majority of employers did not make use of ALMPs or job retention schemes.

Just like the other PES, the PES BD waived the obligation of jobseekers to report to the PES, thus administering their status as if they had reported regularly. However, there were no emergency plans, thus causing the need to resolve problems “on the fly” while at the same time acting in accordance with the law. The provision of services during the pandemic was hampered by the fact that the capacity of staff of the PES BD was reduced significantly due to the periodic isolation of staff members and the reallocation of staff to those sectors which were most strongly affected by the pandemic. At this occasion, it paid off that the staff of the PES BD is trained to work in various positions, thus facilitating their reallocation.

Most importantly for the PES BD, the pandemic pointed to the need to extend the provision of digital services. This is why the PES BD upgraded its website and established the eOffice application mentioned above. On this platform, the communication of service provided by the PES BD to users has been improved. Also, the direct communication of jobseekers with companies that offer employment has been enabled. With eOffice employers can search for suitable jobseekers independently via computer and telephone while jobseekers can fill out CVs according to the Europass form and find employment through the system. This format of communication with users by the PES BD is the first of its type to be implemented in Bosnia and Herzegovina, and a test version of the software solution has been launched. Therefore, it is likely that potential shortcomings of the system will have to be addressed in the near future.

7. Strengths of the PES and development opportunities of the PES

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

The LEA is financed from the BiH-level government budget, while other PES in BiH are financed by contributions from wages of employed persons. This **allocation of resources** allows for a certain predictability and stability regarding the financing of the institution and facilitates the fulfilling of two of the PES's main functions: the coordination and conclusion of international agreements and the coordination of the three other PES of BiH on the BiH-economy level.

In the area of **management of partnerships**, the conclusion of international agreements marks a relevant strength of the LEA which is conducive to the work of all PES of Bosnia and Herzegovina. Recent examples are the agreements reached with Serbia as well as Slovenia mentioned above. This task might further increase in relevance to coordinate both the mobility of labour in the region of the Western Balkans but also to the EU member states.

Coordination of the PES is performed by the LEA without detailed definition of authorities and responsibilities given that constitutional jurisdiction remains within the responsibility of the respective PES.. Coordination is achieved through guidelines based on plans by all PES. This established and accepted structure of cooperation can be considered an asset in the complex institutional structure of BiH and also highlights a strong **management of partnerships**. But in this area, there is also potential for enhancement regarding the advisory board of the LEA. To ensure support for the work of the LEA on a broader basis it could still be considered helpful to establish a fully functioning advisory board that also provides an added value for the LEA.

A major field of development of the LEA concerns the **implementation of the support** structure, specifically the quality and exchange of data. Since each PES in BiH has its own regulations on data collection it is hard to align the data provided by each of the PES of BiH and integrate them into a shared and coherent system, allowing for a comprehensive overview of the labour market of BiH as a whole. These limitations hamper the cooperation and provision of a reliable overview of the labour market of Bosnia and Herzegovina as a whole.

Regarding the communication of the activities of the LEA and its **strategic performance management**, it is positive and commendable that the actions and results achieved by the LEA are published for the entire institution once a year in the form of the Report on work and the Report on the implementation of the strategic plan, while the evaluation of civil servants is published twice a year. This ensures transparency on the actions and results achieved by the PES.

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

Among the strengths of the PES FBiH, the efforts at establishing **process definitions and the standardisation of services** are worth highlighting. The reference of ISO standards and the cooperation with the Croatian PES to implement a standardisation and documentation of processes throughout the whole organisation are good steps towards ensuring a uniform quality of services. Another good example is the implementation of a risk register which helps in the preparation for potential challenges and refers to the area of **crisis management**.

In the field of **relations with employers**, the specialised unit on cantonal level for surveying the needs of employers can be considered another relevant strength of the PES FBiH. This allows for the targeted provision of services and ALMPs meeting the needs of local employers. At the same time, though, there are no specialized counsellors for cooperation with employers, although there is a specialized unit at the federal level for working with this group of customers. It would be useful to implement training activities to specialise counsellors for cooperation with employers. The current situation, where support to employers is a task of all counsellors, does not seem to be the most promising approach. Adjustments to this strategy would surely help to improve and strengthen the relationship with employers.

Similarly, in the area of **evidence-based design of services** the specialised unit for monitoring and evaluation marks an achievement in implementing a more evidence-based approach to service delivery. The fact that corresponding units are also to be established on the cantonal level further emphasises this effort. Important improvements in this area which should be achieved in the future refer especially to a refinement of methodological approaches and data quality. As data and data quality are issues for all Bosnia and Herzegovina PES, the further development of the IT system and infrastructure for collecting and analysing data should be a priority of the PES FBiH to provide a sound basis for the further analysis and evaluation of services.

As a field for enhancement and development opportunities, the very high caseload of counsellors should be highlighted which impacts the **sustainable activation and management of transitions**. For example, in the City of Sarajevo, municipality Centar, there are 2 counsellors servicing more than 7,000 unemployed persons. At the same time, the actual status of the registered persons often remains unclear since the law does not allow for a distinction between active and passive unemployed, although many passive unemployed persons register with the PES only for obtaining health insurance and/or other benefits for which a certificate is required that they are registered with the PES. This situation requires a lot of administrative resources and hampers the process of supporting persons actually looking for a job. A simplification of these benefit structures would mark a significant step in focussing on the core task of placement services.

Further regarding the **activation process** and work with jobseekers, the process of profiling displays considerable room for improvement. Currently, there is no agreed and uniformly implemented standard for the collection of necessary data from jobseekers. The decision which information to collect from each jobseeker mainly remains at the discretion of the individual counsellor. A

standardised approach to this process would mark a significant improvement, e.g., by agreeing on a minimum set of relevant information which are mandatory to collect from each jobseeker. This might also help to further improve the quality of the segmentation currently applied. In this context it should be mentioned that there is no automated system for matching jobseekers and vacancies in the PES FBiH, so this task has to be performed manually by counsellors. It would be more than useful to develop and implement an automated system for matching jobseekers and vacancies.

In the area of **human resources management**, the internal training programme for newly hired staff can be considered a strength. Furthermore, the introduction of annual performance dialogues for staff is currently envisaged which is a good path to follow. The next step might be the implementation of financial and/or non-financial incentives for well-performing staff but this might be more challenging with regard to potential legal restrictions. Also, it is necessary to develop an education plan and strengthen the activities of formal, non-formal and informal training, education and skilling of employees in this field.

Public Employment Service of Republika Srpska – PES RS

In the PES RS, an automated approach to matching has already been implemented with the support of the World Bank which marks a relevant achievement for this PES in the process of **sustainable activation and management of transitions**. Since the profiling also includes ESCO standards it can be considered relatively comprehensive and should facilitate the everyday work of counsellors of the PES RS significantly. At the same time, the matching process is still regionally restricted. The limited exchange of data on vacancies and jobseekers between all PES in BiH hampers the mobility of labour in Bosnia and Herzegovina. Achieving progress in the exchange of data would also require efforts by the other PESs and support from the LEA so this can be considered an area of development for the PES of Bosnia and Herzegovina as a whole.

Also, the PES RS has made considerable progress regarding its IT and support infrastructure with the introduction of CRM and BI as well as data exchange with other registers. Especially the exchange with the tax register which allows for a check on the employment status of (former) jobseekers should help to assess the results of the work of the PES more thoroughly. Strengthening the digital support and data infrastructure of the PES is thus another strength of this PES and refers to both the **performance management** as well as **the activation and management of transitions**. The further development and fine-tuning of these instruments will surely prove to be helpful for improving the efficiency of services provided to jobseekers and employers.

Since surveys on the needs of employers are conducted annually, this provides a good basis for the planning of ALMPs and addressing the needs of employers in general and strengthens the **relations with employers**. At the same time, these services also display room for improvement. So far, there is specialised staff for supporting employers only in the larger offices of the PES RS. More specialised staff throughout the local offices and corresponding training and standards for service provision are likely to further enhance the quality of services provided to employers.

The PES RS has recently established a special unit dedicated to research and developed approaches to implementing advanced evaluation methodologies with the support of the World Bank which provided training for the employees of this new unit. Together with information on the status of jobseekers after they leave the register of the PES, this opens up opportunities for performing impact evaluations based on control groups which is a good step in the **evidence-based design of services**. As a result, the net effects of specific ALMPs can be calculated and analysed to provide robust evidence on potential adjustments for the ALMPs. If the PES RS manages to implement and anchor such evaluation strategies, this will be an asset in the further development of its services, especially the design of ALMPs.

The **design of operational processes**, which is the work on introducing ISO standards has only been partially implemented so far in the PES RS. This points to the need to more proactively communicate the benefits of standardisation and include staff in the change process. These measures might help to increase acceptance of staff.

As could be seen, the World Bank is a very relevant resource in supporting the development of the PES RS, especially in the fields of evaluation and matching. Using the support of donors to further develop the PES is definitely a strength of the PES RS and testifies to a good **management of partnerships** since this allows to tap into additional resources and ensures the support of experts with a high level of expertise.

Public Employment Service of Brčko District – PES BD

It is commendable that in all relevant parts of the PES BD, based on the analysis of the results of the business process, corrective and improvement actions are taken on a regular basis which points to a systematic approach to **performance management**. At the same time, all information on the work in the previous period is available to the public on the website of the PES Brčko District, for example, the Yearly Report for 2021¹⁴.

Among the strengths of the PES BD is the provision of digital services in the **management of transitions and relationships with employers**. The implementation of digital services via the new website eOffice marks a crucial development which was also initiated by the COVID-19 crisis but provides a good opportunity to modernise services provided to jobseekers and employers. This platform grants unemployed persons and employers easier access to information and facilitates direct contact between these groups. It is also encouraging that a new programme for monitoring unemployed persons and an active employment policy programme is currently in development.

As in the other PES in Bosnia and Herzegovina, identifying those among the recipients of benefits who are actually and actively looking for a job is a challenge for the PES BD as well. This is why the PES BD is currently trying to address this issue by combining the registers of unemployed and the various benefits into one database. This seems like a vital step to gain more clarity on the situation of the people supported by the PES BD and strengthen the basis for the **design of operational processes** since it allows focus the support on those persons who really need it and potentially

¹⁴ Available on [https://zzzbrcko.org/dokumenti/Konacni%20IZVJE%C5%A0TAJ%20Q%20RADU%20ZA%202021%20%20GODINU%20latinica%20\(002\).pdf](https://zzzbrcko.org/dokumenti/Konacni%20IZVJE%C5%A0TAJ%20Q%20RADU%20ZA%202021%20%20GODINU%20latinica%20(002).pdf)

identify a possible abuse of benefits. However, at the time of the peer review it remained unclear whether the desired results will be achieved in the near future. But investing in the exchange and quality of data is a path that should be followed by the PES BD since it will most likely pay off.

It seems that there are good **relations with employers**, which is confirmed by the assessments of employers expressed in the publication Labour Market Research in the Brcko District 2020/2021¹⁵ and Labour Market Research in the Brcko District 2021/2022. Surveying the needs of employers and implementing trainings together with service providers based on the results of the surveys is a good approach to meeting the needs of employers. Another good example for the efforts of the PES BD for strengthening **relations with employers** is the implementation of an employment fair and other events which also address additional stakeholders, institutions, government bodies, NGOs and schools. However, the staff capacities for servicing employers remain very limited with only two specialised counsellors, which makes it difficult to visit employers in person.

Regarding the needs of employers in general, it was stressed that there is a significant skills mismatch, which seems to be a shared problem among most of the West Balkan economies. There was a consensus that especially universities often provide degrees in fields which are not in-demand among employers while at the same time there is a lack of qualified staff in areas like IT and accounting. This highlights the need for more exchange and cooperation between the different actors on the labour market which could be facilitated by the PES as a key actor.

15 Available in English on <https://trzisterada.ba/index.php/2021/06/03/labor-market-research-in-brcko-district-2020-2021/>

8. Suggestions and recommendations for enhancement

This section develops suggestions and recommendations for the PES of Bosnia and Herzegovina which are likely to support their performance. At the same time, these recommendations mirror the different fields for development outlined in the previous section.

Although there are specific recommendations for each of the r PES of Bosnia and Herzegovina, there are two recommendations which are not only tightly linked but also point to a shared issue and field for development for all the PES of Bosnia and Herzegovina: the exchange of data and the facilitation of the mobility of labour.

Throughout the previous sections of this report, it has become clear that the exchange of data between PES as an integral part of both the **performance management** and the **support structure** is functional only to a very limited extent. Although there are efforts from the LEA to coordinate and improve the exchange of information on jobseekers and vacancies, the different IT systems of the PES currently impose restrictions on this process. This in turn is due to the high degree of autonomy of the PES of BiH which all have the constitutional jurisdiction regarding the corresponding structures and the legal restrictions of the LEA. As a consequence, there is on the one hand only a limited overview of the situation on the labour market of the whole of BiH because the data provided by the different PES are difficult to aggregate due to their differences. On the other hand, this situation hampers the placement of jobseekers across BiH, limiting the mobility of labour in Bosnia and Herzegovina. Thus, a shared goal of all PES of Bosnia and Herzegovina should be the establishment of a functioning exchange of micro-level data. Developing such an approach will need a consensus and cooperation from all PES involved. Given its main tasks, the LEA is a suitable facilitator of this process. At the same time, it is very likely that this process will take time since the IT systems of most of the PES are still under development. But investing in this form of exchange and cooperation is very likely to pay off for all PES involved even if it might imply significant efforts from all parties involved.

The Labour and Employment Agency of Bosnia and Herzegovina – LEA

To fulfil its tasks adequately, the LEA requires the corresponding **human resources**. Thus, a first recommendation for this PES refers to the current staffing situation. Since employees of the LEA have the status of civil servants the hiring of new staff requires the approval of the Ministry for every position which during the recent past has not always been given. This significantly hampers the

adequate management of human resources and leads to a shortage of staff. As a consequence, of the 33 systematised positions only 27 are currently filled. This is why the representatives of the LEA are encouraged to assess possible strategies to change this situation. One option might be to enable also the hiring of employees in addition to civil servants, so more persons can apply for vacant positions.

Regarding the **management of partnerships** in general and the migration of labour specifically, it is interesting to see how the LEA arranges agreements with other countries (Germany, Slovenia etc.) for the employment of citizens of Bosnia and Herzegovina while at the same time there is a growing lack of skilled labour force as well as a migration of cheap labour from Asia. Therefore, further investigation and analysis of these issues, their causes and consequences would be more than useful.

Another suggestion for the LEA in the area of **partnerships** refers to its advisory board which has 16 members, 11 of whom have the right to vote (5 non-voting members are PES officials, and 11 with the right to vote are social partners). A fully functioning advisory board can help the LEA in fulfilling its tasks if it can be used to achieve consensus and mobilise the support of relevant stakeholders for the implementation of specific tasks. Thus, the LEA is encouraged to look into opportunities to set up a fully functioning advisory board.

Since one of the core tasks of the LEA is the coordination of the PES of Bosnia and Herzegovina, it might be an interesting approach to establish an exchange structure with the three other PESs of Bosnia and Herzegovina. At the same time, this could serve to strengthen the position of the LEA by actively supporting exchange among the PES of BiH. A good example for a similar case can be found in Spain. Here, the central-level PES also has no formal authority but manages to function as a link between the different regional PES, in some cases even establishing unified processes and structures.

Public Employment Service of the Federation of Bosnia and Herzegovina – PES FBiH

The caseload of counsellors in the PES FBiH is very high which is a burden for counsellors and has a negative impact on the quality of services provided. This is why the recommendations focus mainly on several changes in the area of **sustainable activation and management of transition** which are suitable to ease this situation.

One challenge faced by the PES of Bosnia and Herzegovina refers to the often unclear status of jobseekers on the registry of the PES. In many cases, there is currently no possibility to distinguish between those who are unemployed and actively looking for a job and those who are unemployed but “temporarily prevented from working”, whereby the prevention is determined only on the basis of a statement without evidence. Thus, the PES FBiH should try to address this matter by clarifying the status of persons applying for benefits and subsequently focussing all labour market related efforts on those persons who are really looking for employment. This would without a doubt strengthen the quality of services provided by counsellors to “real” unemployed persons. Apart from certain

uncertainties regarding the registered unemployed, there is also no systematic information on the status of registered persons once they leave the register of the PES FBiH. Notable exceptions are those persons who find a job who have the legal obligation to inform the PES of their change in status. But for other persons who are deleted from the register for not meeting the obligations to register, there is no reliable information on their labour market status. Although it is possible for the PES FBiH to obtain information from the tax administration upon request this is a time-consuming and tedious task. Therefore, it would be useful for the PES FBiH to initiate an automated exchange with the tax administration so that those who appear as employees in the tax register are automatically deleted from the unemployment register. If the PES FBiH manages to achieve progress in this area, this will support recent endeavours in profiling and evaluation since more reliable data on jobseekers will be available to facilitate the analysis and evaluation of services and ALMPs.

Furthermore, registration and counselling are currently carried out by the same person. This can be considered a waste of scarce resources of counsellors since they perform tasks which could either be done by persons only responsible for registration or which ideally could be digitised. Therefore, the PES FBiH should consider the possibilities to digitise the process of registration of unemployed persons. Steps towards implementing such an approach were taken during the COVID-19 pandemic but since then went back to registration in person for better control. If the PES FBiH manages to get at least a decent share of all applicants to register online with a functioning and simple system, this would free resources among staff that could be used for counselling, especially with a caseload of over 3,500 per counsellor. Similarly, also separating the functions of counselling/mediation and registration/calculation of benefits would be a relevant step, especially given the huge number of different benefits for which there is a need to get confirmation on registration as unemployed person.

As the next step in the **management of transitions**, also the approach to profiling could be refined and standardised. Right now, it is up to the individual counsellor which information is collected during the profiling. To ensure a more systematic, uniform and comprehensive collection of data, it is recommended to agree on a core set of mandatory data to be collected during the profiling. Furthermore, it would be worth considering the possibility of specialisation of counsellors for particular groups of unemployed persons.

Finally, the process of matching is performed manually by counsellors who match the profiles of jobseekers to vacancies. Again, this is a task that could be – at least partially – automated which would save time that could be invested in personal counselling. The recently developed automatic matching of the PES RS might offer valuable inspiration in this context as well as the automatic matching applied by the PES of Kosovo*.

In the area of **relationships with employers**, the PES FBiH is encouraged to build on the existing structures, especially the surveys among employers on cantonal level. As a next step, it would most likely increase the quality of services to establish specialised counsellors throughout the offices on the cantonal level. Furthermore, it seems promising to implement strategies of early intervention if a dismissal of employees is announced by employers. If the PES FBiH succeeds in implementing measures to support persons still in employment who will be laid-off in the near future this will facilitate job-to-job transitions and/or shorten the duration of the persons laid off.

Public Employment Service of Republika Srpska – PES RS

A first core recommendation for the PES RS refers to the **support structure** regarding the quality of data. There are several social rights for the unemployed who are not really active jobseekers. However, most persons are not deleted from the register of the PES even if they are not active jobseekers since the Law on administrative procedures foresees that a person whose rights are deprived by law, has the right to appeal.

Thus, it is highly recommended to clarify the use of the registry and the application for benefits which are not immediately related to active job search. The services of the PES should focus on those persons who are really looking for work. But in order to achieve that it is first of all necessary to distinguish “real” jobseekers from applicants for other benefits. An additional aspect regarding the current data situation again refers to the status of jobseekers once they leave the register of the PES RS. Right now, there is no information on their status except in case wage subsidies are provided by the PES. This situation poses a challenge for any evaluation or monitoring of outcomes. Considering the achievements of the PES RS in the area of **implementation of evidence-based services**, working on these issues of data, data exchange and the registry will prove extremely valuable since it will lead to the availability of more reliable data and thus robust results of analyses. In a similar manner, the exchange of data with the other parties would not only reduce risk of benefit fraud but would also facilitate matching and labour mobility across the regions of BiH which is currently relatively limited.

On a more practical note, it seems advisable to consider possibilities to increase the number of counsellors to provide sufficient services to jobseekers and employers, thus gaining additional **human resources**. During the peer review it was stated that the caseload ranges from 400 to 1,000 unemployed persons per counsellor. Also, the share of counsellors exclusively servicing jobseekers is less than 60% of all PES staff according to the self-assessment, which can be considered relatively low. While shifting staff might be one option, it is also worth considering potential options for acquiring additional resources or funding to hire additional counsellors.

Also, the **relations with employers** could be further developed since there is no specialised staff servicing this group of customers throughout all offices of the PES RS. To improve this situation, the specialisation of staff for liaising with employers should be encouraged, also in smaller offices. This could be supported by the development of more specific approaches to supporting employers, e.g., with regard to standardised processes and corresponding training for counsellors servicing employers.

In the **design of operational processes**, the efforts of the PES RS at standardising processes and documentation have already been mentioned in the previous section. Since this is a very relevant step in the development and implementation of a uniform approach to service delivery, as can be seen in the previous recommendation on employer services, the PES RS is encouraged to follow this path. This process should on the one hand address the development of relevant standards for all core processes and their documentation. On the other hand, the resistance of staff to these efforts point to the need to include them in this process of change. Possible measures to address this situation could be a more proactive communication of this change process as well as encouraging staff to participate in this process by contributing their ideas.

Public Employment Service of Brčko District – PES BD

Again, the situation outlined for the register as part of the **support structure** also applies to the PES BD. A lack of clarity on the status of applicants, their receipt of benefits and their status after leaving the register is the same also for the PES BD. Thus, the recommendations regarding this situation described for the PES RS and the PES FBiH are also valid in this case.

Although the PES BD is only responsible for a relatively small share of the citizens of Bosnia and Herzegovina, it still seems advisable regarding the **design of operational processes** to further refine the approach to matching which is currently applied. To facilitate the matching of jobseekers and vacancies it would also be important to develop and implement approaches to recognizing informal knowledge and skills of unemployed persons. Such an approach is currently lacking while at the same time it is obvious that most of the unemployed in the region display a low level of formal education. So, the inclusion of this kind of information would enhance the quality of matching significantly. The next step in refining the matching process would be the introduction of an automatic matching, as described also for the other PES.

The definition of several risk groups (U30, 50+, persons with disabilities etc.), which has been done by the PES BD, is a useful foundation for the **design of operational processes** for different groups of customers. This is why corresponding approaches addressing the specific needs of the individual risk groups should be developed as a next step. This is especially relevant to avoid long-term unemployment by providing ALMPs and other forms of support to avoid long-term unemployment.

Another recommendation for the PES BD refers to the **relationships with employers**. It became obvious during the peer review that there are currently no sufficient resources to visit employers in person. But to strengthen the relationship with these important partners it seems advisable to allocate more resources to this task. This could not only improve cooperation in general but might also be helpful for developing and implementing preventive measures when employers are planning dismissals. These early interventions are likely to facilitate job-to-job integrations and/or shorten the duration of persons in danger of becoming unemployed. In a similar manner, it seems sensitive to collect feedback from employers more systematically – not only based on contingent feedback received during service provision but with surveys on the needs of employers.

The needs of employers are also crucial when matching supply and demand on the labour market. As discussed during the peer review, especially universities provide degrees in fields which are not in-demand on the regional labour market, while at the same time employers lack qualified staff in various areas (IT, accounting etc.). Therefore, there is a need to improve adjustment between educational output and labour market needs. In such a process the PES can play a crucial role by providing information and advice on employment perspectives for jobseekers based on a thorough assessment of the needs of employers, for example. At the same time, it has to be stressed that it was apparent that this is a problem which is also shared not only by the other entities of BiH but also by the other Western Balkan economies participating in the peer review.

As a final recommendation for the PES BD concerning **crisis management**, the use of emergency plans is suggested since this is likely to facilitate the handling of a future crisis. Right now, these situations are dealt with by the PES BD on an ad-hoc basis. Similarly, the introduction of a risk register might be helpful to anticipate relevant risks and their potential impact on the PES. For these topics an in-depth exchange with the PES FBiH which has already established a risk register might be helpful.

9. Inspiring (good) practices

The function of the LEA as a coordinating institution, both in relations between the PES of BiH and with other economies, can be considered a good practice since it facilitates cooperation in a complex institutional setup. Although there are limitations regarding its competences due to the high degree of autonomy of the PES of BiH, the efforts at coordinating the work of all PES of Bosnia and Herzegovina contributes to the overall functioning of the labour market in Bosnia and Herzegovina. As described in the previous sections, there are significant challenges for the LEA, but the conclusion of international agreements (Annex I) and the transparency provided by the published reports on its work are good examples for fulfilling a coordinating role in the specific system. At the same time, it has to be noted that this is a unique institutional setup, at least among the Western Balkans economies. But similar examples with a central-level PES fulfilling mainly coordinating functions in a decentralised system can be found among the EU Members of Spain and Italy as well as Denmark.

One task that has been taken on by the PES FBiH and PES RS is the standardisation of processes (Annex III and Annex V), in both cases based on ISO standards. This is a significant development and can serve as a relevant example for other PES of the region who have not taken up this task so far. Although both the PES FBiH and the PES RS are facing – albeit quite different – obstacles and challenges in the process of implementation it is the general aim of both to secure a standard level of service throughout the PES which should be encouraged. The formal reference to international standards like ISO is helpful in this process but should not be considered mandatory. Instead, securing the acceptance and support of staff and management in the process can be considered more important since this is indispensable for a successful implementation of standards.

The other development that can be observed in both the PES FBiH and PES RS, but also the LEA, is the establishing of research units and the refinement of approaches to evaluations, especially of ALMPs (Annex II and Annex IV). These are crucial steps towards generating evidence on the services offered by a PES and they are likely to provide valuable insights which can be used to adjust and improve ALMPs. Also receiving support from NGOs, universities, research institutions and other external experts in the implementation of such complex tasks is supportive to this task and in many cases, this has already been initiated. The biggest challenge in this area, though, remains the availability of high-quality micro-level data on jobseekers. Again, the PES of Bosnia and Herzegovina are perfectly aware of this requirement and are working to improve this situation. Thus, first steps have already been taken by establishing exchanges with the Tax Administration and other institutions. Still, laying the foundation for a sound and reliable database will probably require more work and cooperation in the future but it is an investment which will most likely pay off.

A third major field that displays some inspiring practices which are suited to further the development and performance of the Bosnia and Herzegovina PES is the area of digitisation. In case of the PES RS this refers, among other things, to the introduction of CRM and BI, which mainly addresses the digital support structure. For the PES BD the introduction of the eBiro is a good example of a digital service directed at jobseekers and customers (Annex VI). Also, online registration has been

developed in most of the Bosnia and Herzegovina PES, prompted by the COVID-19 pandemic, and should be further encouraged and established. These are all examples of promising developments to build on in the future.

Annex I. PES practice fiche: Triple Win (LEA)

Name of the PES	Labour and Employment Agency of Bosnia and Herzegovina
Summary	The Labour and Employment Agency (LEA) of Bosnia and Herzegovina has concluded an agreement with the German Centre for Work with Foreigners and Mediation concerning the migration of care and nursing staff from Bosnia and Herzegovina to Germany.
Scope of measure	BiH-economy wide / international: Agreements covering BiH as well as Germany
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	<p>Due to the shortage of labour in many western economies, especially in sectors such as care and nursing, it is a relevant option for citizens of Bosnia and Herzegovina to work abroad, mainly due to the higher wages paid. Thus, it is a task for the LEA to facilitate this mobility of labour among the citizens of Bosnia and Herzegovina. As a regional project, Triple Win considers the situation in all participants involved. The implementation follows the code of conduct of the World Health Organization (WHO), so no professional staff is recruited from places that themselves have a shortage of manpower in the field of health care. In addition, in the long run, Bosnia and Herzegovina benefits from the transfer of know-how in the process of migration of labour. Triple Win also takes into account the interests of employers. This group also benefits from individual language and professional preparation of the workforce, as well as the integration of medical personnel into German society, because they get a well-prepared and qualified workforce.</p> <p>Triple Win also respects the personal situation of the medical staff. Immigration is considered successful when also integration into the social environment in Germany has also been successful. Professional staff thereby increase their competences and opportunities for career development. In the end, all participants benefit: professional staff, home-economy and employer - thus a «Win-Win-Win situation».</p>
When was the practice implemented? (including start and end date for pilot projects)	Triple Win has been realised in the period from 2013 to 2022. It primarily targeted the employment of qualified care and nursing staff with secondary education attainment in the Federal Republic of Germany. It is planned to continue the implementation.
What was the driver for introducing the practice? Was it internal or external?	There is a relevant share of citizens from Bosnia and Herzegovina who are interested in working in EU Member States, such as Germany. At the same time, there is a considerable need for qualified staff especially in the sectors of care and nursing in EU Member States such as Germany. Thus, the LEA took the initiative implement a programme to facilitate the mobility of qualified workforce in this sector between Germany and Bosnia and Herzegovina.

Which organisation was involved in its implementation?	For selection and employment mediation, the responsible institutions are the Centre for Work with Foreigners and Mediation (Zentrale Auslands- und Fachvermittlung) from the German side with the aid of Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ), while from BiH side it is the Labour and Employment Agency of Bosnia and Herzegovina. Both institutions, apart from the selection of candidates and employment mediation, provide also organisational support in professional upskilling and language training for medical staff. Finally, they also help to ensure the successful social integration of the migrant workers in Germany.
Which groups were targeted by the practice?	Mainly qualified workforce from Bosnia and Herzegovina with an interest in working abroad, specifically qualified care and nursing staff with secondary education attainment.
What were the practice's main objectives?	The main objective was the facilitation of mobility of labour for the citizens of Bosnia and Herzegovina. At the same time, this programme helps to meet the demand for qualified workforce in the sectors of care and nursing in Germany.
What activities were carried out?	Agreements have been concluded by the LEA with the German Public Employment Services. Candidates for mobility have been chosen in cooperation of both institutions involved and matched with employers in Germany. Support has been provided to migrant workers in the upskilling and integration into the host country of Germany. As mentioned, the programme will continue to be implemented.
What were the source(s) of funding?	Budget of the LEA.
What are the lessons learnt and success factors?	<p>From the German side, the programme has been assessed as very successful. An extensive information source with information on the programme, eligibility criteria, activities, responsible institutions etc. is available on https://www.arbeitsagentur.de/vor-ort/zav/triple-win/bosnien-herzegowina</p> <p>There is also page with extensive information on http://www.arz.gov.ba/Dokumenti/TRIPLE_WIN_BIH_BHS-brosura.pdf</p> <p>Long-term international collaboration of expert institutions can be more than useful for all sides and can be used as a positive example for similar activities in the nearby future.</p>
Contact details for further information	<p>Agencija za rad i zapošljavanje BIH (ARZ) Đoke Mazalića 3, 71000 Sarajevo +33 560 340, 033 550 295. Siniša Veselinović, Šef Odsjeka/Chief of Department Tel: 00387 (0)33/560-355. Fax: 00387 (0)33/209-475. (GIZ) GmbH Splitska 7 71 000 Sarajevo Bosnia and Herzegovina +33 444 868; emir.comor@giz.de</p>

Annex II. PES practice fiche: Establishment of a specialized unit for monitoring and evaluation (PES FBiH)

Name of the PES	Federation of Bosnia and Herzegovina Employment Service (PES FBiH), Bosnia and Herzegovina
Summary of the practice	The PES FBiH is establishing a new unit dedicated exclusively to monitoring and evaluation to provide more insights into the results achieved by service provision.
Scope of measure	Federation BiH, BiH but also planned for cantonal-level as well
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	For a better understanding of the results and effectiveness of the services and ALMPs provided by the PES FBiH, it is essential to increase the internal analytical capacities for monitoring and research. Two core challenges in this context are methodological expertise among staff and the availability of reliable micro-level data. Both issues are to be addressed by establishing a unit dedicated to monitoring and research.
When was the practice implemented? (including start and end date for pilot projects)	2021/2022
What was the driver for introducing the practice? Was it internal or external?	The driver was internal since there was the need for more clarity on the results and outcomes of the different services and ALMPs provided by the PES FBiH.
Which organisation was involved in its implementation?	So far, the PES FBiH has been involved in this process. But there are plans to establish corresponding units also on the cantonal level.
Which groups were targeted by the practice?	The target were the staff of the PES FBiH since this activity was about building the internal analytical capacities and providing information to all staff of the PES FBiH. On the other hand, the analyses provided by the new unit potentially cover all services and customers of the PES FBiH.
What were the practice's main objectives?	The main objective was to increase the internal analytical capacities of the PES FBiH and gain insights into the results of the services provided to customers.

What activities were carried out?	<p>The PES FBiH considers the establishment of a specialised unit for monitoring and evaluation. The intention is to form it as soon as possible, and the PES FBiH has a clear vision of its organisation. The PES FBiH is currently waiting for the approval from the Cantonal government. The unit will without doubts help the PES FBiH to improve its work, to be more efficient and effective in the services it provides, and to target better and respond our client (employers and jobless persons) needs. As a part of establishment of the unit, education of employees as well education of all PES FBiH staff is planned, mostly related to the expertise on the labour economics, statistics and methods of evaluation of ALMPs.</p>
What were the source(s) of funding?	<p>The funding is from the budget of the PES FBiH.</p>
What are the lessons learnt and success factors?	<p>Achieving an efficient labour market with low unemployment and successfully meeting the employers' needs for workforce poses a significant challenge. The PES FBiH is fully aware of its important position in improving the labour market in the Federation of Bosnia and Herzegovina and implementing ALMPs. For a realisation of these tasks knowledgeable and dedicated PES FBiH employees are the most important precondition. Due to the constant changes in the economy and society, regular updates on their skills and education are particularly relevant. This is to be supported by the establishment of a specialised unit for monitoring and evaluation.</p>
Contact details for further information	<p> Haris Huskic hhuskic@fzzz.ba Federalni zavod za zapošljavanje Đoke Mazalića 3 71000 Sarajevo Phone: 033 562-900 Fax: 033 208-257 E-mail: info@fzzz.ba Svjetlana Šošić, the PES Sarajevo Canton sosicsvjetlana16@gmail.com Đoke Mazalića 3 71000 Sarajevo, Bosna i Hercegovina Phone: 033/569-100 and 033/251-260 Fax: 033/204 -177 </p>

Annex III. PES practice fiche: Introduction of ISO standards (PES FBiH)

Name of the PES	Federation of Bosnia and Herzegovina Employment Service (PES FBiH), while they were also accepted in the PES of Sarajevo Canton. Bosnia and Herzegovina
Title of the policy or measure	Introduction of ISO standards
Summary of the practice	The PES FBiH has worked at introducing ISO standards to ensure a uniform quality of service provision throughout all the Local Offices of the PES.
Scope of measure	Federation of Bosnia and Herzegovina, Bosnia and Herzegovina
Short summary of key challenges addressed by the practice and outcomes/lessons learnt	The provision of quality services throughout all Local Offices of the PES is a core challenge to ensure that customers receive uniform services regardless of where they are in the Federation of Bosnia and Herzegovina. ISO standards are a relevant and broadly applied foundation for such an approach to the standardisation of services.
When was the practice implemented? (including start and end date for pilot projects)	During the fiscal year 2021/2022
What was the driver for introducing the practice? Was it internal or external?	The driver was mainly internal since it was considered a challenge to ensure that services are provided throughout the PES based on uniform quality standards, thus ensuring that jobseekers and employers throughout the Federation of Bosnia and Herzegovina receive the same quality of service regardless of the Local Office which is in charge of servicing them.
Which organisation was involved in its implementation?	There was no dedicated unit of the PES FBiH in charge of this task because the whole PES FBiH is relatively small. Therefore, the implementation was conducted as a joint effort by the staff of the PES FBiH.
Which groups were targeted by the practice?	This change affects all staff of the PES since the standardisation of processes ideally covers all processes of the PES. Thus, service standards should be relevant for all staff members. At the same time, standardisation is relevant for all customers of the PES since this measure is meant to ensure that they receive equal quality services in all Local Offices.
What were the practice's main objectives?	The main objective of this endeavour was to ensure standards of service provision throughout the PES FBiH by developing corresponding standards for all processes.

Name of the PES	Federation of Bosnia and Herzegovina Employment Service (PES FBiH), while they were also accepted in the PES of Sarajevo Canton. Bosnia and Herzegovina
What activities were carried out?	<p>The standardisation of all processes and their documentation was conducted by the staff of the PES FBiH based on ISO standards.</p> <p>In the PES of Sarajevo Canton, ISO standards were introduced in cooperation with the Institute for Certification. The first ISO standard was ISO 9001:2008, followed by ISO 9001:2015.</p>
What were the source(s) of funding?	Budget of the PES FBiH as well as annual planned financial expenditures of the PES of Sarajevo Canton.
What are the lessons learnt and success factors?	<p>ISO standards provide guidance on creating a mutually beneficial environment that enables all staff members of the PES FBiH to be familiar and connected with the objectives, purposes and values of the organisation. At the same time, it allows for the organisation to support its staff in a manner which ensures quality work, opportunities for development and professional fulfilment. In that way, the PES FBiH can apply this form of guidance to determine what is practical or material to the organisation's internal and external context with the goal to enhance the business processes as well as to achieve high quality relations with employers and jobseekers throughout all Local Offices. Regarding further steps in the course of process standardisation, it is planned to collect and analyse the experience of the PES Sarajevo Canton with the implementation of the ISO standards and to consecutively introduce these throughout all other cantonal-level PES in the Federation of Bosnia and Herzegovina.</p> <p>As the ISO standard is based on business-related risks, the PES FBiH has learned that it is extremely important to be aware of its weak points in order to improve the business itself. The result of the introduction of standards is an increase in clients' (employers and jobseekers) satisfaction, as well as improved performance.</p>

Name of the PES	Federation of Bosnia and Herzegovina Employment Service (PES FBiH), while they were also accepted in the PES of Sarajevo Canton. Bosnia and Herzegovina
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Annex IV. PES practice fiche: Introduction of ISO standards (PES RS)

Name of the PES	Public Employment Service of Republika Srpska (PES RS), Bosnia and Herzegovina
Summary of the practice	The PES RS has worked at introducing ISO standards to ensure a uniform quality of service provision throughout all the Local Offices of the PES. However, ISO standards were not formally introduced and certified, but the organisation of all relevant processes and behaviour of the PES RS staff are treated as if they were accepted.
Scope of measure	Republika Srpska, Bosnia and Herzegovina
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	The provision of quality services throughout all Local Offices of the PES is a core challenge to ensure that customers receive uniform services regardless of where they are in the Republika Srpska. ISO standards are a relevant and broadly applied foundation for such an approach to the standardisation of services. However, due to the costs of formal certification and limited financial means of the PES RS, the decision was made to introduce these standards not formally, but still treat them as relevant guidelines for all processes throughout the PES RS.
When was the practice implemented? (including start and end date for pilot projects)	Fiscal year 2021/2022
What was the driver for introducing the practice? Was it internal or external?	The driver was mainly internal since it was considered a challenge to ensure that services are provided throughout the PES based on uniform quality standards, thus ensuring that customers throughout the Republika Srpska receive the same services regardless of the Local Office which is in charge of servicing them.
Which organisation was involved in its implementation?	The PES RS is relatively small, the number of staff is limited and therefore the adjustment to the imagined (or virtual) acceptance of the ISO standards was accomplished as a joint effort of all staff of the PES RS.
Which groups were targeted by the practice?	This change affects all staff of the PES since the standardisation of processes ideally covers all processes of the PES. Thus, service standards should be relevant for all staff members. At the same time, standardisation is relevant for all customers of the PES since this measure is meant to ensure that they receive quality services in all Local Offices.
What were the practice's main objectives?	The main objective of this endeavour was to ensure standards of service provision throughout the PES RS by developing corresponding standards for all processes.

What activities were carried out?	One core task was the development of standards for every process. The main idea was to achieve a high quality of the service to all employers regardless of their size, sector, location as well as to jobseekers, regardless of their occupation, skills and educational attainment. Therefore, it was analysed how to adjust business processes to ensure that provided services are optimally targeted to particular employers or jobseekers. These analyses were then used to develop binding service standards.
What were the source(s) of funding?	Apart from the resources invested by the staff of the PES RS, there was no need for additional funding since the standards were not formally and officially introduced. Their possible future certification will be financed from the budget of the PES RS.
What are the lessons learnt and success factors?	<p>A critical success factor seems to be the communication and inclusion of staff in the process of establishing service standards throughout the whole organisation.</p> <p>The PES RS strives towards partnership which is based on cooperation in all business processes, unconditional quality and proactive approach towards the needs of employers and unemployed persons.</p>
Contact details for further information	<p>Luka Glibo</p> <p>The Head of The Department for employment programme and development of entrepreneurship</p> <p>The Sector for Mediation and Active Labour Market Measures</p> <p>Public Employment Services of Republika Srpska</p> <p>Srpskih ratnika 30, 71 420 Pale</p> <p>e-mail: luka.glibo@zzzrs.net</p> <p>Phone: 057/200-460</p> <p>Fax: 057/227-531</p> <p>www.zzzrs.net</p>

Annex V. PES practice fiche: Introduction of a research unit (PES RS)

Name of the PES	Public Employment Service of the Republika Srpska (PES RS), Bosnia and Herzegovina
Summary of the practice	A new unit dedicated to research has been established by the PES RS with support in training and methodology from the World Bank.
Scope of measure	Republika Srpska, Bosnia and Herzegovina
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	To provide high-quality services to PES customers and adjust the provision of services and ALMPs to their needs, it is essential to gain deeper insights into the results of service provision by conducting analyses and evaluations. This requires both specialised staff in the PES but also reliable micro-level data to implement more complex approaches to evaluation such as control group analyses based on matching.
When was the practice implemented? (including start and end date for pilot projects)	2021/2022
What was the driver for introducing the practice? Was it internal or external?	The driver was mainly internal since there was a need to gain more insights into the provision of services and ALMPs as well as their outcomes.
Which organisation was involved in its implementation?	In the process of establishing this new unit, the PES RS as a whole was involved but also representatives of the World Bank which provided methodological support for the development of evaluation approaches as well as training for the staff of the newly-founded organisational unit.
Which groups were targeted by the practice?	On the one hand, this approach affects all staff members of the PES since the research results are aimed at providing relevant information for the provision of services throughout the PES. On the other hand, all services and ALMPs are potentially target by this practice which in turn means that information on all customers of the PES is collected and analysed.
What were the practice's main objectives?	The aim was to gain more clarity on the services provided and ALMPs implemented by the PES RS and their outcomes by building the internal analytical capacities of the PES.
What activities were carried out?	The establishment of a new organisational unit as well as the provision of training to the staff of this new unit which was provided with the support of representatives from the World Bank.
What were the source(s) of funding?	Budget of the PES as well as additional resources from the World Bank
What are the lessons learnt and success factors?	The support from the World Bank was an important factor in the implementation of this organisational change. On the one hand, this provided additional funds, while on the other hand the expertise provided by the representatives from the World Bank ensured the relevant level of expertise among the staff of the newly-founded research unit.

Contact details for further information

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Annex VI. PES practice fiche: Implementation of the website “eOffice” (PES BD)

Name of the PES	Public Employment Service of Brcko District, Bosnia and Herzegovina
Summary of the practice	Prompted by the restrictions related to the COVID-19 pandemic, the Public Employment Service of Brcko District in Bosnia and Herzegovina (PES BD) developed and implemented a new website and application for jobseekers and employers, eOffice, to provide digital services.
Scope of measure	Brcko District-level, Bosnia and Herzegovina
Short summary of key challenges addressed by the practice and outcomes/ lessons learnt	The COVID-19 pandemic caused a disruption in the service provision of the PES BD, highlighting the need for digital service channels – not only to reduce personal contact with customers but also to provide services in an up-to-date manner which meets the needs of jobseekers and employers.
When was the practice implemented? (including start and end date for pilot projects)	The development of the eOffice website started in 2020 and was completed in the spring / early summer of 2022.
What was the driver for introducing the practice? Was it internal or external?	On the one hand the contact restrictions and challenges posed by the COVID-19 pandemic highlighted the need for a more wide-spread use of digital services. On the other hand, the digitalisation of services is a relevant achievement in PES services provision, regardless of the external circumstances. Thus, the drivers were both external and internal.
Which organisation was involved in its implementation?	An external service provider was hired for the technical development of the website and applications. This provider was supported by the relevant staff member in charge of IT and software maintenance. In addition, guidance on the content was provided by staff from the Sector for Employment Mediation of the PES.
Which groups were targeted by the practice?	All groups of customers of the PES BD are to benefit from this newly developed digital service platform – jobseekers and employers.
What were the practice's main objectives?	eOffice (E-Bureau) is a web content management system, and as such should ensure the presentation of the PES BD on the internet and improve the way vacancies are announced and matched with jobseekers. The use of eOffice should enable employers to find possible employees easier and faster, by making it and easier and faster to publish vacancies. Therefore, employers can do this independently via computer and telephone. At the same time, jobseekers can fill out CVs according to the Europass form and find employment based on the same.

What activities were carried out?	<p>The following functions were developed as core services provided through the digital application eOffice:</p> <ul style="list-style-type: none"> • “Matching” of unemployed persons with vacancies • Employer registration • Registration of unemployed persons • Posting ads • Filling out a CV • Searching vacancies • Basic information about the PES BD.
What were the source(s) of funding?	Budget of the PES BD
What are the lessons learnt and success factors?	One crucial factor remains the hesitation of some employers to use the eOffice for announcing vacancies. Instead, they still prefer face-to-face exchange with the PES. Encouraging also these employers will be a crucial factor for fully exploiting the potential of this new digital tool.
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