



LOCAL EMPLOYMENT PARTNERSHIP IN REPUBLIKA SRPSKA CASE STUDY: PRNJAVOR

October, 2018

Author: Ranko Markuš

Contents

Foreword3

Summary4

Introduction5

Organizational Structure10

 Legal Status10

 Membership11

Strategic approach11

 Goals and priority areas.....11

 Financing13

Implementation Mechanism15

Monitoring and Evaluation.....16

Conclusions17

List of abbreviations18

Foreword

This analysis is part of a larger project to support RCC in managing the mutual learning activities among Western Balkan economies under the Employment and Social Affairs Platform (ESAP). ESAP is a regional project financed by the European Commission and jointly implemented by RCC and ILO in Albania, Bosnia and Herzegovina, Kosovo*¹, Montenegro, Serbia and the Former Yugoslav Republic of Macedonia. The project, which began its implementation in 2016 and lasts for 3 years, aims to strengthen regional cooperation and institutional capacities of national administrations, employers' and workers' organizations, enabling them to develop and effectively implement labour market and social policy reforms in their EU enlargement process.

The issue in focus of this particular peer review is the evaluation of local employment partnerships (LEPs), by selecting 2 successful local employment partnerships in Bosnia and Herzegovina. As a result of the assignment, a national report for Bosnia and Herzegovina and 5 short reports are prepared for the other Western Balkan economies. Based on these national and regional analyses, a peer visit will be organized in Bosnia and Herzegovina whereupon officials from the Western Balkans will visit the selected municipalities and exchange views and experiences with the selected partnerships in Bosnia and Herzegovina. The aim of this research is to develop a standardized format for LEP reporting and analyses. It should not solely include the final status of outputs and immediate objectives, but also portray the factors contributing to or hindrances that affect the achievement of results. Furthermore, the aim is to illustrate how the intervention was managed, identify what could have been done differently and what methods or strategies can be replicated in other technical cooperation activities. Following the reports, an inclusive process of consultation among stakeholders, implementing partners and constituents should take place.

The purpose of this activity is to peer review different dimensions of LEP functioning (design, process and results). It addresses the policy performance of selected LEPs in a systematic and objective manner in terms of relevance, effectiveness, efficiency and strategic approach. The evaluation assesses the relevance of the approach, and is based on the following goals:

- to analyse the approach as well as to identify the extent to which the LEP has defined and approached its planned objectives,
- to identify the extent to which its strategy has proved efficient and effective,
- to identify the extent to which an anticipated long-term impact and sustainability can be expected, and
- to identify and document substantive lessons and good practices.

The peer review of different practices should be used as a knowledge base for developing future LEPs in Bosnia and Herzegovina, and in turn the Western Balkans region. A thematic evaluation of the Local Employment Partnerships as structural policy instruments

¹ * 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.

is planned. The following elements and topics will be the consultants' focus throughout the research.

The central coordination body (secretariat) of the Economic Council is within the Department for Local Economic Development and Social Affairs of the Prnjavor Municipality, and they should report on the Council activities within their regular reporting to the Municipal Assembly.

Summary

Prnjavor Municipality has well developed production industry that is requesting at the moment of this research, 81 workers, out of which 42 in metal sector, 18 in food processing, 16 in wood processing, and 10 workers in the sector of leather and shoes production. Employers have difficulties in finding qualified workers, particularly CNC operators and lacquerers, equally needed in wood and metal processing industries.

As a result of local needs, the Enterprise Development Agency Banjaluka submitted a project proposal to EU to establish a partnership and strengthen local vocational education capacities. The partnership became operational as a result of the EU funded and International Labour Organization implemented project "Local Employment Partnerships in Bosnia and Herzegovina", that supported the application that came from Prnjavor Municipality.

The Economic Council has been re-activated, restructured and formalized by an official decision on its establishment that has been published in the Official Gazette of the Municipality of Prnjavor (No. 24/17). It has 7 members – 4 from public institutions and three employers. The Economic Council, based on its rulebook, established a permanent working body – the Council for Employment (Decision No. 01/1-014-336-1/17 on September 28, 2018).

The Action Plan for Employment has been developed by the Employment Council and might be used as strategic orientation of the Council. Its goals are:

1. Adjustment of the labour force to labour market needs
2. Capacity building of the labour market institutions that should cooperate with local economy actors and continuously support vocational education of unemployed persons to improve their chances to find decent employment.

The Action Plan divides activities into measures and nominates responsible institutions, including potential financing sources. It serves as a good plan for the Employment Council operations.

Introduction

Bosnia and Herzegovina (BiH) suffers from mass inactivity and high unemployment rates. If BiH is, on its EU way, to reach those EU member countries with the lowest employment rates, it should increase total employment rate almost twofold. That is not feasible even if all the unemployed were employed. This shows how huge inactivity in BiH is. The number of those who are hopelessly marginalized from the mainstream of society is growing at this time of permanent global economic crisis, and as a result, a lot of people are leaving the country due economic reasons. Policies against high long-term unemployment should become a priority in BiH.

Still, there are slight positive trends. According to the BiH Statistical Agency², the number of registered unemployed in BiH amounted to 448.071 in June 2018. If we take 2016 as a base year (2016 = 100) and compare June 2018 with the same month of 2017, the number of unemployed decreased by 7.3 percentage points, or in absolute terms the number of people registered as unemployed decreased by 37.817. Officially, the unemployment rate in Bosnia and Herzegovina decreased to 35.93% in May from 36.54 percent in April of 2018. It averaged 42.44% from 2007 until 2018, reaching an all-time high of 46.10% in February of 2013 and a record low of 35.93% in May of 2018³.

Graph: Unemployment rate in Bosnia and Herzegovina



Table: Key labor market indicators in Bosnia and Herzegovina

	May 2018	Unit
--	----------	------

² First Release on Registered Employment, August 20, 2018, available at: http://www.bhas.ba/saopstenja/2018/LAB_03_2018_06_0_BS.pdf

³ <https://tradingeconomics.com/>

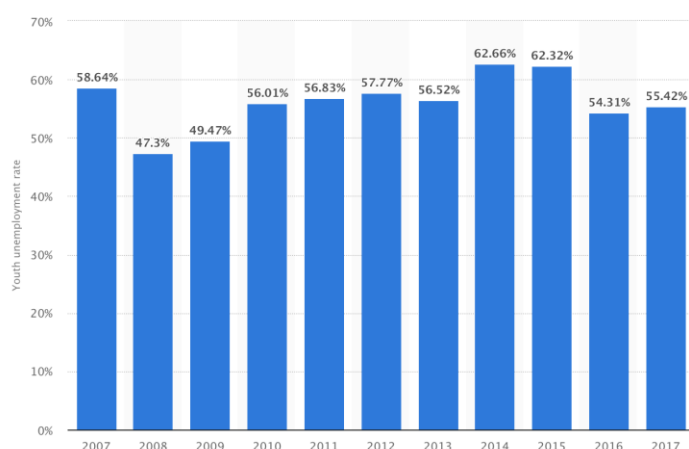
<u>Unemployment Rate</u>	35.93	percent
<u>Unemployed Persons</u>	450.067	
<u>Wages</u>	1371.00	BAM/Month
<u>Wages in Manufacturing</u>	992.00	BAM/Month
<u>Population</u>	3.50	Million
<u>Employed Persons</u>	802718.00	

In BiH, unemployment is of structural nature, since more than four fifths of unemployed persons are waiting for a job for more than a year. There are three proximate reasons for the existing unemployment:

1. Skills' bottlenecks appear to be an important issue. This is underscored by the fact that, although BiH's unemployment rate is one of the highest in Europe, many vacancies on the job market cannot be filled,
2. Inefficient companies, which do not generate demand for new workers due to several reasons, and
3. Inefficiency of the whole system of BiH. In economic terms, the system is inefficient in static terms (poor allocative efficiency) and dynamic terms (low accumulation of all assets, primarily infrastructure).

The latest comparison of registered unemployed (June 2018) by qualification structure gives a more precise picture of the important role that the level of education plays in employability. The lowest number of unemployed are those with higher education (6.455), followed by those with university education (36.656). On the other hand, the largest number of the unemployed are highly skilled and skilled (146.881), followed by unskilled (125.596) and those with a high school diploma (123.752). To demonstrate the poor quality of education, it is enough to consider the youth unemployment rate. It was high even before the global crisis, but it has rapidly increased from 47.3% in 2008 to 55.42% in 2017.

Graph: Bosnia and Herzegovina – Youth Unemployment Rate from 2007 to 2017⁴

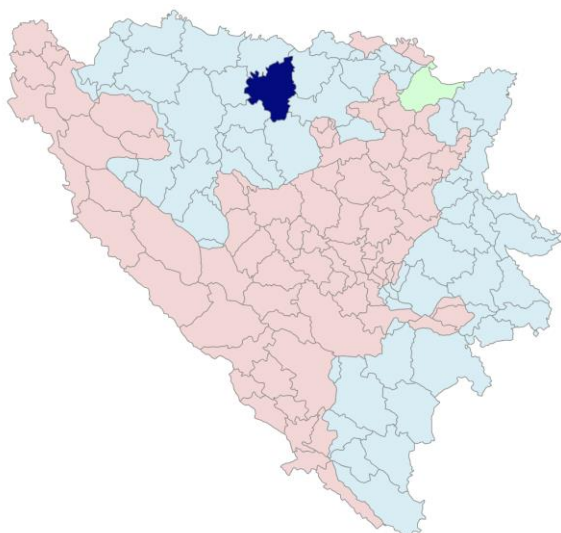


⁴ Statista. Available at: <https://www.statista.com/statistics/811689/youth-unemployment-rate-in-bosnia-and-herzegovina/>

This rate is five times higher than the global average, which amounted to 13.2% in 2017. The cause of the high youth unemployment rate is the poor quality of education, which is largely a consequence of the lack of formal relations between schools and companies. Schools do not consult employers regarding future labour market needs. It is thus impossible to ensure high-quality practical classes for the students, which is – to the extent provided – ensured through informal ways and good will of the teaching staff and company managers. As result, the lack of qualified and skilled workers is becoming a serious barrier to the development of business in BiH. According to employers, the lack of skills refers to an insufficient number of workers trained in specific occupations at all qualification levels.

The Local Employment Partnership (LEP) in Prnjavor has been selected as a case study for the Western Balkan region peer review. The Municipality of Prnjavor is situated in the Northwest part of Republika Srpska, administrative unit in Bosnia and Herzegovina, around 50 kilometres from the border with the Republic of Croatia/European Union. The Municipality is covering 630 sq. kilometres. From an infrastructural point of view, the Municipality will hugely benefit from the opening of the highway Doboј – Banjaluka – Gradiška towards Croatian border⁵.

Map: The Municipality of Prnjavor



According to the 2013 Census,⁶ the Municipality had 34,357 citizens, out of whom 16,675 or 48,53% male and 17.682 or 51,47% female. Compared to the results of the previous census in 1991, the population decreased by 12,698 citizens. Historical trends show that depopulation started during the last 10 years, as estimations for 2008 were that Prnjavor had 48.531 citizens.

There are 6,781 employed and 2,177 unemployed persons⁷. The educational structure of the unemployment points to 60% of the unemployed with lower than secondary school education, while there are almost no highly skilled workers who are unemployed:

- Unskilled workers – 334

⁵ The investment is worth 340 million BAM and the funds were provided from a loan from the European Bank for reconstruction and Development and the European Investment Bank.

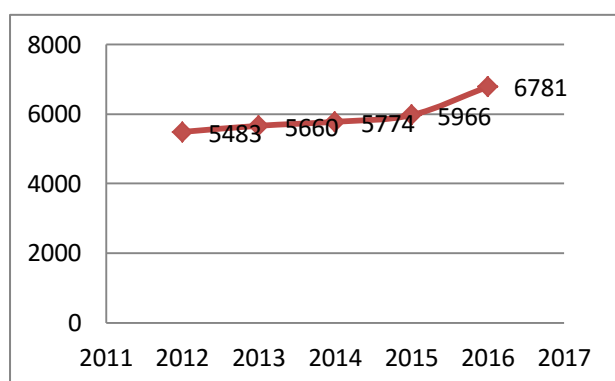
⁶ Републички завод за статистику Републике Српске, Попис становништва, домаћинства и станова у Републици Српској 2013. Резултати пописа. Бања Лука, 2016. Година

⁷ Nacrt Akcionog plana zapošljavanja u Opštini Prnjavor za period 2018-2020., mart 2018.godine

- Semi-skilled – 33
- Skilled – 924
- Highly-skilled – 7
- Secondary school – 663
- Two year college degree – 22
- University qualification – 196

Employment is increasing annually. A significant increase has been recorded during 2016, when it increased by 13,66% or 815 workers in comparison to 2015.

Graph: Employment Trend 2012 – 2016



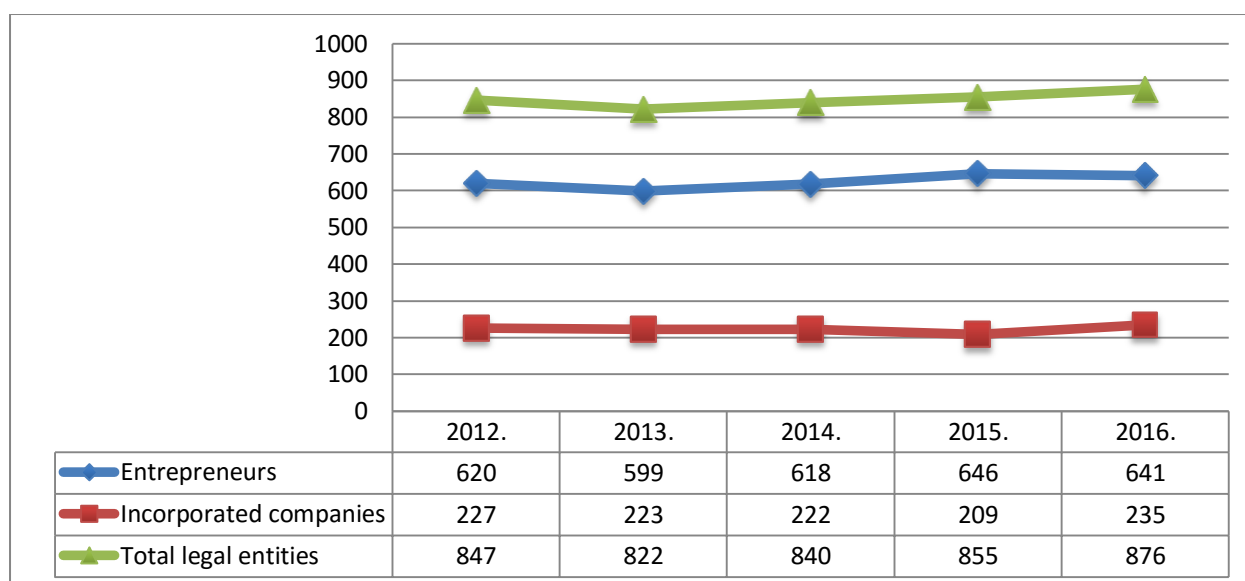
The number of active job seekers decreased by 2,177 in 2017, or 10% lower than in the previous year, in line with the employment increase. Still, trends of economic migration are present, particularly towards Slovenia, but exact data do not exist.

Table: Key labour market indicators in Prnjavor

	2018	Unit
<u>Unemployment Rate</u>	17,78	percent
<u>Unemployed Persons</u>	2,177	
<u>Wages (net)</u>	667.00	BAM/Month
<u>Population</u>	34,357	
<u>Employed Persons</u>	6,781	

The Municipality of Prnjavor is characterized by strong entrepreneurial tradition, agricultural production and food processing industry. Prnjavor has 876 legal entities, out of which 235 are incorporated companies, and 641 entrepreneurs.

Graph: Number of legal entities in Prnjavor⁸



Most of entrepreneurs (631) employ less than 10 persons. In the structure of incorporated companies, micro-enterprises are dominant and growing. There are four big companies and 11 mid-size ones. The number of households that are involved in agricultural production is 1,986, out of which only 230 are commercially oriented, and there are 21 entrepreneurs. Social aspects of agricultural production might be a rationale for the high inactivity rate.

Most municipal enterprises are active in the area of metal processing, food processing, footwear manufacturing, wood processing/furniture industry, and construction materials production. Those sectors hire the majority of workers, including labour force from neighbouring municipalities. There is a growing demand for skilled workforce, while unemployed persons lack skills, knowledge, and competence to satisfy needs of employers.

Almost all companies in Prnjavor are planning to employ new workers during 2018, but according to their managers they face difficulties in finding qualified workers, particularly present for CNC operators and lacquerers, equally needed in wood and metal processing industries. A major problem is in economic migration towards EU countries, as many employed persons are leaving companies and going abroad. At the moment of interviewing companies (late 2017) they were requesting 81 workers, out of which 42 in metal sector, 18 in food processing, 16 in wood processing, and 10 workers in the sector of leather and shoes production.

⁸ Municipal Department for Local Economic Development (2016.)

Organizational Structure

Legal Status

The partnership became operational as a result of the International Labour Organization project “Local Employment Partnerships in Bosnia and Herzegovina”, that supported the application of Prnjavor Municipality. Namely, the Enterprise Development Agency (EDA) Banjaluka, registered as non-government organization (NGO), has been awarded to implement the project “Partnership for quality jobs and competitiveness”. The Economic Council (loc. Privredni savjet) of the Prnjavor Municipality has been chosen as the platform for project implementation. It has been informally established but never became fully operational.

The Economic Council has been re-activated, restructured and formalized by official decision on its establishment that has been published in the Official Gazette of the Municipality of Prnjavor (No. 24/17). Based on that decision, the Economic Council developed its Rulebook within which its main tasks are prescribed:

- Analyses of administrative and other barriers that are hindering business-friendly environment in the Municipality
- Assessment of the efficiency of policies and instruments related to businesses competitiveness and strengthening of entrepreneurship
- Recommendations related to improvement of the business environment and support to entrepreneurship
- Initiation of other initiatives related to support for entrepreneurship, business competitiveness and municipal economic development in general.

Based on above mentioned Rulebook, the Economic Council established a permanent working body – the Council for Employment (Decision No. 01/1-014-336-1/17 on September 28, 2018). This body, with a 2-year mandate, is directly responsible to the Economic Council, and it has the following tasks:

- Develop, implement and update the Action Plan for Employment
- Identify and recommend active labour market policies (ALMP), as well as, measures for adjustment of labour force supply and demand
- Implement labour market analyses, with the aim to identify labour force demand and employers’ needs, including vocational trainings by economic sectors
- Consult schools in the process of curriculum revisions in line with local labour market needs
- Conduct other tasks related to the labour market reform and employment policies.

There is a strong legal rationale for the Economic Council and the Employment Council within it to be recognized and accepted as a cooperation mechanism with strong sense of local ownership. Institutions show determination to solve development issues through formalized structures, and accept the practicalities of their political responsibilities that is particularly expressed during municipal strategy development and strategic or budget planning. Still, the formal leadership sits with an external organization, outside of the Municipality (EDA Banjaluka). Therefore this period of project implementation should be understood as a capacity building process, in order to establish full sustainability in future.

Membership

The Economic Council's Decision (No. 01/1-014-336-1/17 on September 28, 2018) on the establishment of the permanent working body – Employment Council identifies the membership of the established body:

- Department for Local Economic Development and Social Affairs of the Prnjavor Municipality – two members
- Public Employment Service of Republika Srpska – Prnjavor bureau (RS PES) – two members
- Public Institution Secondary School Ivo Andrić Prnjavor – one member
- Company Trivas Ltd. – one member
- Company Topling Ltd. – one member

The main focus of the Employment Council is the implementation of the EU funded project “Partnership for quality jobs and competitiveness”, led by EDA Banjaluka, but also to use it as testing ground for capacity building activities and future projects implementation. Therefore, tasks within the Council are distributed in line with the project requirements:

- Prnjavor Employment Bureau has a role to provide all necessary information for the purpose of analyses, and to interact with unemployed persons in terms of information provision and preliminary selection. Although it was originally planned that the Bureau would play the role of technical secretariat to the Employment Council and ensure long-term sustainability of the Council, the Council is under municipal jurisdiction, under direct responsibility of the Department for Local Economic Development.
- Secondary School Prnjavor has the key role in the selection of candidates, preparation of curriculum and implementation of theoretical and practical training for work in the industry.
- Representatives of companies have an advisory role throughout the project implementation, as final beneficiaries.
- EDA Banjaluka is not a member of the Council, but as a main applicant for one of Council's project, is responsible for the project management and serves as technical support to the Council's work, including development of expert input. One of the technical documents whose development has been supported by EDA is the draft Action Plan for Employment of the Municipality of Prnjavor. Through permanent interaction with other Council members, EDA is working on defining and developing new employment models, training programs and innovations in its delivery, using its own experience and expertise.

Membership is defined by municipal decision, and in principle it is possible to change it by a new decision.

Strategic approach

Goals and priority areas

The Action Plan for Employment, although still not adopted, might be used as strategic orientation of the Council. Its goals are:

3. Adjustment of the labour force to labour market needs,
4. Capacity building of the labour market institutions that should cooperate with local economy actors and continuously support vocational education of unemployed persons to improve their chances to find decent employment.

To achieve the strategic goals, the following measures will be implemented in the period 2018-2020:

Active Labour Market Policies in Prnjavor Municipality 2018-2020		
Goal	Measure	Implementer
1. Increased employability of unemployed persons	1.1. Annual analyses of supply and demand of the labour market	Public Employment Service
	1.2. Individual Employment Plans for Unemployed	Public Employment Service
	1.3. Active Job Search Training	EU Project
	1.4. Vocational Training for work in industry	EU Project
	1.5. Development and distribution of the active job search booklets	EU Project
	1.6. PES ALMP	Public Employment Service
2. Increased Capacities of Labour Market Institutions	2.1. Accreditation of CNC trainings	EU Project and Secondary School
	2.2. Improvement of capacities for dual education	EU Project and Secondary School
	2.3. Ensuring funds for employment of family members of war veterans, disabled and fallen soldiers	Municipality
	2.4. Efficient work of the Employment Council within the Economic Council	Municipality and council members
	2.5. Promotion of industrial occupations within youth and women	EU Project and Local InterAct Project

	2.6. Preparation of new employment projects	NGO sector and partners (Local InterAct)
--	---	--

The timeframe of the action plan is wider than the EU project implementation framework and it will continue to be implemented after the EU project's completion. These goals are in line with the revised document of the Municipal Development Strategy, in particular to harmonize supply and demand in the labour market (2018-2019) by providing active job search training to 150 persons and vocational training to at least 75 persons who are in need in the labour market.

Financing

The Employment Action Plan identifies measures, implementers or responsible institutions and financing sources. There are several sources for its implementation, which brings institutional commitment, but also ownership over the plan by labour market and other institutions. To achieve the strategic goals and measures, the following financing sources were identified:

Active Labour Market Policies in Prnjavor Municipality 2018-2020			
Goal	Measure	Implementer	Financing
1. Increased employability of unemployed persons	1.1. Annual analyses of supply and demand on the labour market	Public Employment Service	Resources will be available through regular financing of PES
	1.2. Individual Employment Plans for Unemployed	Public Employment Service	Resources will be available through regular financing of PES
	1.3. Active Job Search Training	EU Project	6000 BAM (EU project)
	1.4. Vocational Training for work in industry	EU Project	160.000 BAM (EU project)
	1.5. Development and distribution of the active job search booklets	EU Project	1300 BAM (EU project)
	1.6. PES ALMP	Public Employment Service	PES and Ministry of Labour

2. Increased capacities of labour market institutions	2.1. Accreditation of CNC trainings	EU Project and Secondary School	Costs will be assessed together with RS Institute for Adult Learning (Zavod za obrazovanje odraslih)
	2.2. Improvement of capacities for dual education	EU Project and Secondary School	34.000 BAM (equipment)
	2.3. Ensuring funds for employment of family members of war veterans, disabled and fallen soldiers	Municipality	40-50.000 BAM (Municipality)
	2.4. Efficient work of the Employment Council within the Economic Council	Municipality and council members	No funds are necessary
	2.5. Promotion of industrial occupations among youth and women	EU Project and Local InterAct Project	4000 BAM (experts, brochures, and events)
	2.6. Preparation of new employment projects	NGO sector and partners (Local InterAct)	No funds needed

The Employment Council has been established as one of the approved initiatives within the EU project “Local Employment Partnerships”. The EU Programme for Local Development and Employment is the second part of the package of EUR 85 million, pledged by the EU at the Donors Conference in July 2014. It follows the assistance already provided by the EU through its Flood Recovery Programme in the amount of EUR 42.24 million, which was implemented by the UNDP, UNICEF and IOM.

Table: Financial framework of the EU funded project Local Employment Partnerships in Bosnia and Herzegovina

Timeframe:	1 February 2016 - 31 January 2019
Donor:	Funded by the European Union
Budget:	EUR 4,444,444.44

The Prnjavor project is one of the approved local initiatives called “Partnership for High Quality Jobs and Competitiveness”, and the contract value is 222,828 EUR (EU contribution: 200,000 EUR).

Implementation Mechanism

Implementation mechanisms depend on procedures directly related to the particular measure that is implemented. For example, activities related to the EU project within the Employment Council are carried out in a typical project management cycle, based on the logframe submitted and approved by the donor:

- Activity 1: Public call and selection of the beneficiaries

RS PES and EDA will issue two public calls. The first public call will be for the training on active job seeking, after which 150 trainees and beneficiaries will be selected. This training will last two days and will focus on how to write CVs and motivation letters and how to introduce oneself to employers during a job interview.

The second public call will be for the companies. The companies will be invited to express interest for the training for the new workforce and their employment. The companies that respond to this call will be sent 150 CVs and motivation letters of the trainees for active job seeking. In cooperation with RS PES, the companies will select 75 trainees in the area of obtaining new knowledge and skills for the work in the relevant industries, out of whom 50 will be employed.

- Activity 2: Purchase of equipment and development of the training programme

The vocational school has already some equipment for practical classes. In order to enhance practical classes and training in the area of wood and metal processing, the Partnership will purchase CNC machines with appropriate tools for work in these industries. Furthermore, five teachers from VS will be additionally trained to perform practical classes including the operation of CNC machine for all occupations of mechanical engineering and wood processing, including the practical instructions about the operation of the CNC machine.

The programme of training of adults for CNC operators, to be developed in cooperation with the companies and adjusted to their needs, will be accredited in the centre of high schools, and through cooperation with the companies, the number of practical classes will be increased and the classes will be held in the premises of the companies (Topling Ltd. – metal processing; Ribza Ltd. and Export City Ltd. – wood processing).

The training for leather processing and footwear manufacturing will be conducted in the partner companies with support from professionals in these areas (KLM Ltd. - footwear manufacturing; Kruna- Produkt Ltd. and MI Trivas Ltd. – food industry).

In the development of the training programme, special attention will be devoted to the inclusion of the persons with special needs in order to provide equal opportunities to this vulnerable group regarding training, job seeking and employment.

- Activity 3: Conducting of the training programme

Four training programmes for 75 unemployed persons will be conducted in the companies that provide this training and will be led by professionals in the relevant areas except the training for CNC operators for wood and metal processing for which one part of the training will be provided by VS.

- Activity 4: Employment

At least 50 persons will be employed through the Partnership activities in the food production, metal and wood processing industry and footwear manufacturing.

Note: Six companies submitted applications in the first cycle of the call: Topling Ltd. (metal processing), Rizba Ltd. i Export City Ltd. (wood processing), KLM Ltd. (footwear) and Kruna-Produkt Ltd. and MI Trivas Ltd. (food production) and expressed interest for employment of 68 new workers.

Monitoring and Evaluation

The central coordination body (secretariat) of the Economic Council is within the Department for Local Economic Development and Social Affairs of the Prnjavor Municipality, and it reports on the Council activities within its regular reporting to the Municipal Assembly. The Employment Council is established within the Economic Council and is responsible for the development, monitoring and revising of the Employment Action Plan.

When it comes to the implementation of specific projects from the Employment Action Plan, it is organized in line with donor requests. Reporting is carried out to satisfy specific requirements. Reports are not publicly shared, nor discussed at the municipal bodies. In the case of the EU funded project, the responsible institution for reporting is EDA Banjaluka, the main applicant and grantee.

The Council occasionally communicates with the public (e.g. to present individual accomplishments), has developed limited communication channels, but without a strategic approach in communication. It is mainly related to projects and initiated by EDA Banjaluka. Examples of LEP related news are:

- First employment in Prnjavor within the EU funded project “Support to Local Employment Partnerships in B&H”, February 7th, 2018⁹
- After training within the EU funded project “Support to Local Employment Partnerships in B&H” a young architect was employed, February 20th, 2018¹⁰
- Continuation of the training and employment of unemployed persons in Prnjavor within the EU project, March 8th, 2018¹¹

⁹<https://edabl.org/first-employment-prnjavor-within-eu-funded-project-support-local-employment-partnerships-bh/>

¹⁰<https://edabl.org/training-within-eu-funded-project-support-local-employment-partnerships-bh-young-architect-employed/>

¹¹<https://edabl.org/continuation-training-employment-unemployed-persons-prnjavor-within-eu-project/>

Key communication channels are the municipal website, EDA Banjaluka website and PES RS website.

Conclusions

The Prnjavor case study is an example of how donor driven activities, whose lasting after completion of the financing is questionable, can be set in a sustainable way.

The Municipality took over the responsibility for the operation of the Council and its formalization through the establishment act - LEP is formed as municipal permanent working body, by the Decision on Employment Council Establishment (Odluka o osnivanju Savjeta za zapošljavanje), within the municipal Business Council (Privredni svjet).

The EU provided funds not only for technical support to the Council, but also for the implementation of one project that is focused on prequalification of job-seekers, and the relation between educational system and business sector. That raises the interest of Council members to be actively involved into its work, but also to rethink in a more efficient organizational way of implementing current and future projects. The project theme in Prnjavor is providing a solid base for local cooperation through the development of the partnership aimed to support development of vocational education through involvement into the process of provision of recommendations on enrolment plans, and curriculum planning and implementation.

The Employment Plan has vertically traceable logic of intervention through elements such as priorities, measures/projects, responsible institutions, and financing. On the other hand, there is clear lack of measurable indicators that leaves the overall plan a bit vague.

It is necessary to continue promoting the need for municipalities in general to take responsibility for local employment policy, but in order for this to be effective, it is of crucial importance to develop capacities of its members and the coordinator of the Council.

The Employment Action Plan is prepared based on proper methodology, taking into account all initiatives and financial sources that are allocated for employment related programmes. It rightly interprets labour market information and translates it into priorities to be acted upon.

There is a lack of profiling methodologies, with a particular focus on identifying and subsequently targeting those most in need of support to gain/maintain their position in the labour market. Therefore, the selection of participants should be directly based on individual employment plans, not on their choice on offered opportunities.

The Council should work on innovative measures development to support ALMPs that will effectively respond to the needs of the target groups and their particular barriers. In this regard, efforts should be made to ensure all latest ALMP impact assessments and

recommendations for improvement are continuously shared with the Council, but also with PES, so that they may take advantage of the lessons learnt.

The Council's monitoring and reporting plans were not visible during field visits, again, with a focus on setting indicators that will allow for effective monitoring of progress made in supporting the disadvantaged in the labour market improve their labour market outcomes.

There is plenty of space for promoting local employment policy making. Once the possibility of designing/adapting measures/programmes is more thoughtfully applied, policy makers may consider opening up also co-financed measures to changes in their design. PES RS should be involved into the design of innovative policy measures, and they should be requested to co-finance their implementation. If such innovations prove to be successful, they could be replicated throughout PES RS system.

List of abbreviations

EU – European Union

ILO – International Labour Organization

LEP – Local Employment Pact

NGO – Non-Government Organization

MoU – Memorandum of Understanding

EDA – Enterprise Development Agency

EUR – Euro

TP – Topling Ltd.

MI – MI Trivas Ltd.

VS – Vocational School Ivo Andrić Prnjavor

UNDP – United Nations Development Programme

UNICEF – United Nations International Children's Emergency Fund

IOM – International Organization for Migrations

RS PES – Republika Srpska Public Employment Service