

Western Balkan Peer Reviews on Employment Policies and Programmes

Peer Review on on-the-job training (Hosted by Albania)

Review for the PES of Montenegro

This study is conducted in the framework of the *Employment and Social Affairs Platform* (ESAP), a regional project financed by the European Commission and jointly implemented by RCC and ILO in Albania, Bosnia and Herzegovina, Kosovo^{*}, 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' organisations, enabling them to develop and effectively implement labour market and social policy reforms in their EU enlargement process.

This review covers in depth the stages of design, implementation, monitoring and evaluation of "On-the-job training" programme in Montenegro. The data for the review were collected through a questionnaire with the specialists of the Public Employment Service (PES) of Montenegro.

1. General information

PES Montenegro implements the „On-the-job training“ programme, which aims to increase employment, and especially employment of unemployed jobseekers in unfavourable labour market conditions. The programme started its implementation in 2015. It lasts for four months, and covers the entire territory of the economy, with priority given to less developed parts of the economy: 60 percent of the northern part and other less-developed municipalities. The programme budget for the period from 2015 to 2017 amounted to 1,250,000 € as follows: 2015 - 600.000 €, 2016 - 500.000 € and 2017 - 150.000 €.

The funds for this programme originate from the budget of the Employment Service of Montenegro. The target group for participation are unemployed persons who had this status at least six months prior to joining the programme. The legal framework is based on the Law on Employment and Rights to Unemployment Insurance („Official Gazette of Montenegro“, No. 14/10,45/12,61/13, 20/15 and 52/16). The programme is implemented on the basis of the Law on State Assistance („Official Gazette of Montenegro“, No. 74/09 and 57/11).

2. Programme design and promotion

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

PES Montenegro is the only institution in charge of the design and implementation of the programme. In the design of the programme, PES takes into account the needs of the unemployed jobseekers, based on their individual employment plans, the needs of the employers based on the evidence of the vacancies, surveys with employers and direct contact with them.

The programme clearly defines the target group, and this is how the inclusion of disadvantaged/ vulnerable groups is guaranteed in the process. The criteria for participating in the programme is to be part of the target group (unemployed for at least six months), but priority is given to members of the Roma community and those over 50 years old.

No priority sectors/fields of intervention are set for the programme. The right to participate in the programme is given to businesses from all areas of the private sector, mainly to small and medium-sized enterprises with net growth in the average number of employees during the last 12 months. There is no evidence of involvement of social partners in any stage of the programme. The programme started its implementation in 2017 and no changes has been made with regards to its design and rules since then. The criteria for the participants of the programme are set based on the Law of State Assistance. The programme is delivered in combination with supplementary services such as counselling, mentoring, motivation and preparation to participate in the programme. A legal contract is signed between the business and PES for the implementation of the programme.

3. Selection process (Recruitment/Admission)

The call for applications is published on the webpage of the Employment Service, in the official gazette, and the Bulletin of the Employment Service. The content of the programme is published on the PES webpage.

With regards to the internal rules for selection/admission of participants in the programme, the counsellors of the unemployed who belong to the target group inform them on the opportunity of an appropriate programme for them and provide them with a certificate that is a condition to participate in the programme. The employers make the final decision on those who will participate in the programme, by selecting from the pool of those that have a certificate issued by the counsellors.

The applications from the employers must be submitted within the deadline specified in the public call of the programme. The main criteria and the procedure of selection of the unemployed jobseekers are defined in the programme. The call also specifies the business selection criteria. In 2017, these criteria were related to the financial capacity of the applicant's business and sustainability of the programme.

The commission for the selection of the businesses is created by the Decision of the Director of the Employment Service. The commission is composed of PES specialists. It evaluates the applications based on the criteria set in the call. The final decision on the businesses that will participate in the programme is made by the Managerial Board of PES, based on the list proposed by the Commission.

The submitted applications are subject to technical control with regards to eligibility and applications are sorted out with unauthorised and unverified administrative documents. In the next phase, the team elaborates and evaluates the rest of applications based on the criteria set by the programme. The list of proposed businesses is prepared in the form of a report and is submitted by the Commission for final approval. The selection of the businesses lasts for 15 days. Local and regional labour market evidence is used during the selection process. Based on the register of the unemployed persons and the target group of the programme, in

2017, 75 percent of participants of the programme were unemployed from northern municipalities and other less developed municipalities. The programme is implemented in collaboration with 56 employers, 42 of whom are from northern and less developed municipalities. The allocation of funds among selected businesses is based on the number of participants in the programme. Financial support is provided for up to three participants in the programme.

4. Implementation and operationalization

The main fields of on-the-job training are hotel industry and services. The training period lasts one month in accordance with the content of the training programme prepared by the business entity. PES assists the beneficiary firms in the selection of trainees and provides financial support. Before making a final decision on the beneficiary businesses, the PES carries out a direct evaluation of the business, with regards to working space, technical and personnel capacities. The financial capacity and sustainability of the programme are the main criteria for the selection of the businesses.

PES and the unemployed jobseekers that will participate in the programme sign a contract, that specifies the rights and obligations of both parties. The participants must attend the training programme regularly, get familiar with the content of the programme, and upon training completion they will agree to be employed in the job vacancies for which they are trained and work for at least three months. Participants are awarded a training certificate for a special profession upon on-the-job training completion.

5. Monitoring and evaluation

The monitoring process and timelines are part of the agreement between the Employment Service and implementing businesses. In order to ensure that business-as-usual is not paid with public money, PES specialists periodically control the documentation that proves the appropriate use of programme funds. The internal evaluation of the programme is carried out using the data collected during the monitoring phase of the programme as well as after the end of the programme. Changes in the programme design are considered based on the findings and problems identified during the implementation of the programme.

The last monitoring activity was conducted during February 2018. The main finding was the low sustainability of the programme. External evaluations of ALPMs are carried out periodically. At the beginning of 2017, an analysis of effectiveness of ALMPs was conducted in the framework of an EU project. Based on the findings, some initiatives/changes towards programme improvement were taken, especially related to the obligation to certify the knowledge and competencies gained during the training period for all trainees.

Sustainability of the programme is ensured through the businesses selection criteria.

6. Results

In 2017, 56 employers participated in the programme, out of whom 42 were from the northern and less developed municipalities. In the same year, the programme trained 100 persons, out of whom 45 were female. Individuals under the age of 30 make up 42 percent of the participants, while long-term unemployed make up 26 percent. 75 percent of the participants were from disadvantaged municipalities. 16 percent of the participants had no qualifications, 66 percent had secondary education, and 18 percent had completed tertiary studies.

The participants of this programme in relation to the total number of participants in all labour market active measures were 4.85 percent in 2017. The average cost per person is 1,286.76 € (900,69 € net costs). The training period lasts a month, and the employment periods at least three months.

After the training period, 32 percent of the participants were employed, out of which 16 percent were employed for an indefinite period of time. The other training participants are more actively searching for a job than before the training period.

It is important to revise the programme and ensure higher sustainability. The monitoring process must be improved, and more attention has to be paid to the real time monitoring of the implementation of the programme. It is also important to increase the satisfaction of the programme participants. In addition to the internal evaluation, an external evaluation is necessary. The main challenge remains a greater participation and interest of the employers for the implementation of the programme, which will assure a greater sustainability of the programme.