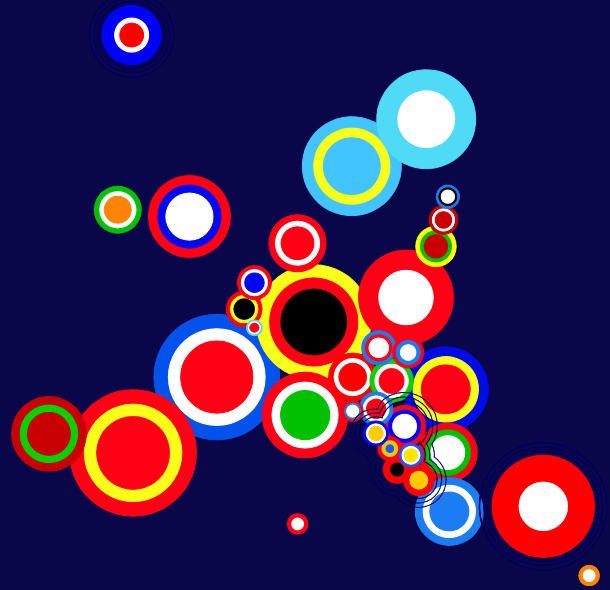




## INSTRUMENT FOR PRE-ACCESSION ASSISTANCE (IPA II) 2014-2020

### MULTI-COUNTRY

### Employment and Social Affairs Platform (ESAP)



#### **Action summary**

*The overall objective of the Employment and Social Affairs Platform is to assist the Western Balkans with the employment/labour market and social policy reforms in their pre-accession process. The focus is on improving the policy dialogue related to labour market institutions, labour mobility, working conditions and social dialogue at the regional level.*

*To this end, the Action entails carrying out regional activities, sharing good practices, aiming at enhancing labour mobility, social dialogue and more generally contributing to the inclusive growth objective in the region. The platform will take into account existing regional initiatives and networks as to create synergies and avoid duplications and to bring an added value to national action in this field of activity. The project is split into two actions; one action will support the Regional Cooperation Council in its activities related to employment and labour market policy and the other one will include ILO activities such as strengthening social dialogue and enhancing the capacity of labour inspectorates.*

<b>Action Identification</b>	
<b>Action Programme Title</b>	IPA II Annual Multi-country Action Programme 2015
<b>Action Title</b>	Employment and Social Affairs Platform (ESAP)
<b>Action ID</b>	IPA 2015/038-054.11/MC/ESAP
<b>Sector Information</b>	
<b>IPA II Sectors</b>	9. Regional and territorial cooperation
<b>DAC Sector</b>	16020 Employment policy and administrative arrangements
<b>Budget</b>	
<b>Total cost (VAT excluded)<sup>1</sup></b>	EUR 3.45 million
<b>EU contribution</b>	EUR 3.00 million
<b>Management and Implementation</b>	
<b>Method of implementation</b>	Direct management
<i>Direct management:</i> <b>EMPL unit in charge</b>	DG EMPL (cross sub-delegation with DG NEAR)  Unit A4, External Relations, Neighbourhood Policy, Enlargement, IPA
<b>Implementation responsibilities</b>	Thomas Bender, Head of Unit
<b>Location</b>	
<b>Zone benefiting from the action</b>	Western Balkans
<b>Specific implementation area(s)</b>	Albania, Bosnia and Herzegovina, the former Yugoslav Republic of Macedonia, Kosovo*, Montenegro, Serbia
<b>Timeline</b>	
<b>Deadline for conclusion of the Financing Agreement</b>	Not Applicable
<b>Contracting deadline</b>	31/12/2016
<b>End of operational implementation period</b>	31/12/2019

<sup>1</sup> The total action cost should be net of VAT and/or of other taxes. Should this not be the case, clearly indicate the amount of VAT and the reasons why it is considered eligible.

\* 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

## **1. RATIONALE**

The IPA II Regulation and its strategic framework have placed employment, human capital development, and active social inclusion as strategic priorities for the coming years in enlargement countries. This responds to the challenges identified in the countries, but also to the Europe 2020 Strategy and in particular its inclusive growth objective as an overarching framework to inspire countries' reforms.

As stated in the Enlargement Strategy 2012-2013, the European Commission will continue associating enlargement countries with the Europe 2020 strategy. It will examine the possibility of more targeted use of Stabilisation and Association Agreement (SAA) meetings in order to tackle the issues of competitiveness and employment. To that aim, and in line with the Europe 2020 approach, the enlargement countries are encouraged to consider national targets in the fields of employment, innovation, climate change, energy, education, poverty reduction and social inclusion. In this Strategy the European Commission set out a framework for strengthening economic governance, drawing on the experience of the European Semester.

The Multi-country Indicative Strategy Paper 2014 - 2020 refers further to the South East Europe 2020 strategy which defines as well an inclusive growth objective to be achieved in the Western Balkans. The Western Balkans are facing a number of common challenges if they want to progress towards this objective, such as high levels of unemployment (notably youth unemployment), poor labour mobility, low level of labour market participation (notably of women), high levels of population at risk of poverty, and problems of social inclusion for minorities and other vulnerable groups as well as high and deep-rooted informal employment.

The Europe 2020 and the South East Europe (SEE) 2020 Strategies provide a framework for policy reforms, which should be translated in the Employment and Social Reform Programmes (ESRP) that will be a cornerstone of the bilateral strategic and gradual policy dialogue. The ESRP is a key element in the European Commission's approach to strengthening the employment and social dimension of the enlargement process and fostering reforms to ensure job rich and inclusive growth.

One of the reforms emphasised in the Europe 2020 Strategy is the strengthening of the capacity of social partners. The European social dialogue is recognised as a pillar of the European social model. It is the essential means by which the social partners contribute to the governance of the European Union and the definition of European social standards. This approach should also be followed in the candidate countries and potential candidates.

In line with these strategies, the Employment and Social Affairs Platform (ESAP) is an opportunity to support reform in employment and social policies in the Western Balkans through carrying out regional activities, sharing good practices, aiming at enhancing labour mobility, social dialogue and more generally contributing to the inclusive growth objective in the region. The platform will take into account existing regional initiatives and networks as to create synergies and avoid duplications and to bring an added value to national action in this field of activity.

## **PROBLEM AND STAKEHOLDER ANALYSIS**

The global economic crisis has aggravated the employment and social problems in the Western Balkans in addition to the structural issues. The situation in the labour market deteriorated after the crisis and the most visible consequences are very low employment rates, high unemployment rates, and increasing poverty risks.

Very high youth unemployment and long-term unemployment are leading to a real risk of a lost generation and serious losses in terms of human capital. High rates of informality and informal employment affect particularly youth and vulnerable groups. Such a labour market situation and

working conditions is a serious threat to medium - and long-term growth prospects and to social cohesion.

Social dialogue remains weak in the Western Balkans. Social dialogue between representative organisations of workers and employers at all levels (company, local, regional, sectoral, national, and European) is crucial for sustainable development, growth and employment creation, business performance and for creating a level-playing field for international competitiveness, job quality and good employment practices.

As regards the challenges listed above, the plan is to assist the Western Balkans in their employment and social reforms while strengthening the social dialogue and working conditions. Long-term objectives should be the increase of decent employment and decrease of the unemployment rates.

Participation of social partners in the process of employment and social reform is essential. They should be included as appropriate in all the activities. The platform should give them the opportunity to strengthen their cooperation in the region and to create a long-term network. Strong regional network and sharing experience can help in improving the social dialogue on national and regional levels and ultimately preparing social partners for the EU social dialogue. Gender equality will be addressed as a horizontal issue.

#### **RELEVANCE WITH THE IPA II MULTI-COUNTRY STRATEGY PAPER AND OTHER KEY REFERENCES**

The Multi-Country Indicative Strategy Paper 2014-2020 indicates that the IPA II beneficiaries need to develop their human capital, reduce the size of the informal economy and increase the level of employment or self-employment in particular of women and persons belonging to minorities. The creation of a wider regional labour market mobility of students and workers should be promoted. Technical assistance and support is necessary to enable the governments to develop meaningful, comprehensive and sustainable policies for tackling the above challenges.

The Europe 2020 strategy aims at creating the conditions for a smart, sustainable and inclusive growth in the EU. Increase of the employment rates and the fight against poverty are important targets of Europe 2020 strategy. This is also needed in the candidate countries and potential candidates. The ESAP will put the emphasis on labour market situation and will aim to improve the situation in this area, notably contributing to the increase of the employment rates and the decrease of the unemployment rates. This should be done through the monitoring of labour mobility, working conditions and the status of social dialogue. The Enlargement Strategy 2012-2013 also highlights challenging situation at the labour market indicating that all the countries are affected by high unemployment, particularly among the young.

Employment platform will help in monitoring the reforms and in developing the regional networks by building on existing projects.

#### **LESSONS LEARNED AND LINK TO PREVIOUS FINANCIAL ASSISTANCE**

As for the previous financing period, the Western Balkans has received IPA assistance and other donor's assistance in the area of employment and social inclusion. However, the area of employment and social inclusion should be further strengthened.

The main problem was the sustainability of the projects, achievements, and the transfer of expertise that is needed for proper capacity building. Also, the coordination between the donors weren't always the most efficient. The Platform should ensure the continuity of the activities, enhanced ownership and

capacity of labour administrations and social partners and a better coordination among donors and international partners.

As for the IPA MBP programme, the institution building support provided opportunity for exchange of experience and harmonisation of practices between IPA II beneficiaries of the region that often have a common institutional and cultural background. It provided both a regional perspective in planning and a regional forum for leveraging funds from IFIs.

## 2. INTERVENTION LOGIC

### LOGICAL FRAMEWORK MATRIX

<b>OVERALL OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	
Improvement of the employment/labour market and social reforms in the Western Balkans	National targets defined in the ESRP.	Continuous monitoring by DG EMPL	
<b>SPECIFIC OBJECTIVE</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
Establishment of a regional platform for employment and social affairs issues (ESAP) by liaising regional Public Employment Services PESs; by reviewing the Employment and Social reform Programme (ESRP), in order to ensure long-term reforms and to share good practices and experiences; by strengthening the capacity and regional cooperation of labour administrations, labour inspectorates, social partners and social dialogue institutions;	Regional Platform put in place; at least 3 regional meetings organised	Continuous monitoring by RCC, ILO and DG EMPL.	Enough willingness and resources to ensure the activities and readiness of the beneficiaries to participate in all the activities on a regular basis
<b>RESULTS</b>	<b>OBJECTIVELY VERIFIABLE INDICATORS (OVI)</b>	<b>SOURCES OF VERIFICATION</b>	<b>ASSUMPTIONS</b>
<p><b>Result 1:</b> Strengthen the cooperation at the regional level related to the Employment and Social Reform Programme (ESRP)</p> <p><b>Result 2</b> Improvement of the PES network in the Western Balkans</p>	<p>1. ESRPs adopted and the commitment from all the stakeholders participating in the process linked to the future long-term plans;</p> <p>2.1. Regional information system for job vacancies in place;</p>	Continuous monitoring by RCC, ILO and DG EMPL.	<p>1. Progress in the ESRP preparation</p> <p>2. Relevant representation of ministries, PES, social partners and NGOs</p>

	2.2. Exchange of EU PES network and existence of new sustainable long-term plans for the future cooperation on the regional and national level;		
<b>ACTIVITIES</b>	<b>MEANS</b>	<b>OVERALL COST</b>	<b>ASSUMPTIONS</b>

<p>1. Experiences exchange in the ESRP process;</p> <p>2. Regional meetings;</p> <p>3. Strengthened regional cooperation among governments and social partners and involvement in reforms through capacity building for PES employees, social partners, labour administrators and labour inspectors;</p> <p>4. Labour inspectorates should work through networks – at least 5 labour inspectorates per beneficiary should participate in the platform</p> <p>5. Two social dialogue forums</p>	Direct grants to ILO and RCC	<p>EUR Total: 3.45 million</p> <p>EUR 3 million (EU)</p> <p>EUR 0.45 million (co-financing)</p> <p>In details:</p> <p>Grant to ILO for EUR 1.5 million plus co-financing of EUR 0.275 million. Total EUR 1.775 million</p> <p>Grant to RCC for EUR 1.5 million plus co-financing of EUR 0.275 million. Total EUR 1.775 million</p>	<p>1. Relevant representation of ministries, PES, social partners, labour inspectorates and NGOs that are willing to actively participate at the regional meetings</p> <p>2. ESRP process is advancing in countries where it had started.</p> <p>3. Access to accurate data</p>
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## **ADDITIONAL DESCRIPTION**

This project will help strengthening regional cooperation in the field of Employment and Social affairs. The objective is to improve the employment/labour market and social reforms in the Western Balkans through different types of activities: experience exchange of the ESRP, capacity building, regional meetings and exchange of good practices.

It will be important to identify future needs for the support and to ensure the sustainability of the reforms. Potential problems could occur in the frame of the sustainability. Therefore, it is important to ensure that the Governments in the region are committed to the platform and that they will be willing to continue long-term reforms.

### **Objectives of the Employment and Social Affairs Platform (ESAP):**

The overall objective of the Platform is to assist the Western Balkans with reforms in the employment/labour market and social policy area in their pre-accession process. The focus is on improving the policy dialogue related to labour market institutions, labour mobility, working conditions and social dialogue at the regional level.

The specific objectives of the Employment and Social Affairs Platform related to the RCC activities "Policy Reforms and Public Employment Services:

Component 1:

- Supporting the preparation and the implementation of the ESRP process in the enlargement countries through peer reviews, and mutual learning;
- Enhancing the capacity of the relevant administrations to plan and implement reforms through exchange of experience, good practices, development of methodological and analytical tools (eg like those developed through the EC/RCC/World Bank Partnership);

Component 2:

- Encourage sustainable reforms of the labour markets;
- Strengthening the existing PES Network with a view to facilitating the SEE 2020 labour mobility objective and preparations for future participation in EURES (European Employment Services).

IPA funds will be used to support the Employment and Social Affairs Platform related to the RCC activities for the period 2015-2018 for the following actions:

- Capacity building of Public Employment Services networks
- Review of employment and social policies through the ESRP process;
- Regional meetings;
- Sharing of good practices and experiences with the EU networks (Public Employment);

The specific objectives of the Employment and Social Affairs Platform related to the ILO activities "Social Dialogue and Working Conditions":

Component 1:

- Enhancing the capacity of labour inspectorates as the key institutions for the implementation of the legal acquis on working conditions;

Component 2:

- Strengthening of the capacities of social dialogue on national and regional levels.

IPA funds will be used to support the Employment and Social Affairs Platform related to the ILO activities for the period 2015-2018 for the following actions:



- Capacity building of labour inspectorates, labour administrations, social dialogue mechanisms and social partners;
- Sharing of good practices and experiences with the EU networks (Labour Inspectorates);
- Regional meetings;
- Social dialogue forums.

### **3. IMPLEMENTATION ARRANGEMENTS**

#### **ROLES AND RESPONSIBILITIES**

European Commission/DG EMPL will delegate this project to the Regional Cooperation Council and International Labour Organisation. RCC and ILO will be managing the activities. However, DG EMPL and DG NEAR will participate in the activities and will assist the RCC and the ILO in the preparations.

#### **IMPLEMENTATION METHOD(S) AND TYPE(S) OF FINANCING**

The Action will be implemented following the conclusion of two direct grant agreements with the RCC and the ILO planned for Q3, 2015 based on Article 190 (1)(f) of the rules of application of Regulation (EU, Euratom) No. 966/2012 of the European Parliament and of the Council on the financial rules applicable to the general budget of the Union (hereinafter referred to as "the Rules of Application"), on account of its technical competence and high degree of specialisation, for the same equal amount. The RCC functions as a focal point for regional cooperation in SEE and its key role is to generate and coordinate developmental projects of a wider, regional character, to the benefit of each individual participant, and create an appropriate political climate susceptible to their implementation.

In the Council conclusions on Enlargement and Stabilisation and Association Process (General Affairs Council meeting Brussels, 16 December 2014), it is underlined that the Council fully supports the work of the South-East European Cooperation Process and the Regional Cooperation Council, its operational arm, and its focus on addressing the targets and priorities of the SEE 2020 Strategy. The Council also welcomes all regional initiatives aimed at strengthening inclusive dialogue and cooperation.

The ILO is the most appropriate organisation to carry out the activities as it is the only international organisation which has developed and implemented worldwide international standards on tripartite social dialogue and collective bargaining.

ILO is already a strategic partner of DG EMPL, which would allow a continuity and coherence of Commission approach to the Region and enlargement policy.

RCC will concentrate on activities related to the exchange in the ESRP process and the network of PES. The ESRP include promotion of employment and labour market, social inclusion and social protection as well as skills and competences. However, RCC and ILO shall endeavour to cooperate and support each other throughout the planning and implementation of their respective activities. The activities related to social dialogue will be conducted in consultations with Business Europe and the European Trade Union Confederation (ETUC).

The Platform will continue building on existing RCC projects, and on the activities carried-out through the EC/RCC/World Bank Partnership on Employment and Social Inclusion, notably its support to the RCC. It will also build on the PES network - the Centre of Public Employment Services

of Southeast European Countries (CPESSEC)<sup>2</sup> - operating since May 2007. The aim of the platform is to promote cooperation in the field of labour market and employment and to strengthen the relations among these countries.

#### **4. PERFORMANCE MEASUREMENT**

##### **METHODOLOGY FOR MONITORING (AND EVALUATION)**

The Platform will be monitored by the RCC, ILO and the European Commission/DG EMPL and DG NEAR. The Western Balkans will be asked to present the reforms planned and implemented during the regional conferences. Besides this, they will need to report on their progress related to the ESRP preparation.

The European Commission may carry out a relevant evaluation for this action or its components. In case a mid-term or final evaluation is not foreseen, the European Commission may, during implementation, decide to undertake such an evaluation for duly justified reasons either on its own decision or on the initiative of the partner. The evaluations will be carried out as prescribed by the DG NEAR guidelines for evaluations. In addition, the Action might be subject to external monitoring in line with the European Commission rules and procedures set in the Financing agreement.

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<sup>2</sup> CPESSEC was established with the signature of Guidelines for Operation of the CPESSEC in May 2007 in Belgrade.

**INDICATOR MEASUREMENT**

Indicator	Baseline (2012) (2)	Milestone 2017(3)	Target 2020 (4)	Final Target (year) (5)	Source of information
CSP indicator (impact/outcome)...(1)					
<p>National targets defined in the ESRP, SEE 2020 Strategies. In principle employment rate that vary between the beneficiaries.</p> <p>Regional Platform put in place; at least three regional meetings organised.</p> <p>ESRPs adopted and the commitment from all the stakeholders participating in the process linked to the future long-term plans;</p> <p>Regional information system for job</p>	<p>36,8%</p> <p>N/A</p> <p>At present (2015) Serbia and Montenegro are in the drafting process of their ESRPs.</p> <p>Labour mobility is developed</p>	<p>40,6%</p> <p>All relevant ministries, at least 5 PES offices from different regions and at least 3 NGOs need to participate in each respective beneficiary.</p> <p>(2015) Signature of the ESRP with Montenegro and Serbia.</p> <p>Launching of the ESRP with the former Yugoslav Republic of Macedonia and Albania.</p> <p>Labour mobility further strengthened. Indicative 10 % of job vacancies should be published a year.</p>	<p>44,4%</p> <p>All relevant ministries, at least 10 PES offices from different regions and at least 5 NGOs need to participate in each respective beneficiary.</p> <p>Signature of the ESRP with the former Yugoslav Republic of Macedonia and Albania.</p> <p>Monitor the implementation of reforms.</p> <p>Labour</p>	<p>N/A, targets does not go beyond 2020.</p>	<p>Continuous monitoring by RCC, ILO and DG EMPL.</p>

vacancies in place.	in some countries but is unequally spread across the region.		mobility further strengthened. Indicative 20% of job vacancies should be published a year.		
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- (1) This is the related indicator as included in the Indicative Strategy Paper (for reference only)
- (2) The agreed baseline year is 2010 (to be inserted in brackets in the top row). If for the chosen indicator, there are no available data for 2010, it is advisable to refer to the following years – 2011, 2012. The year of reference may not be the same either for all indicators selected due to a lack of data availability; in this case, the year should then be inserted in each cell in brackets. The baseline value may be "0" (i.e. no reference values are available as the Action represents a novelty for the beneficiary) but cannot be left empty or include references such as "N/A" or "will be determined later".
- (3) The milestone year CANNOT be modified: it refers to the mid-term review of IPA II.
- (4) The target year CANNOT be modified.
- (5) This will be a useful reference to continue measuring the outcome of IPA II support beyond the 2014-2020 multi-annual financial period. If the Action is completed before 2020 (year for the performance reward), this value and that in the 2020 target column must be the same.

## **5. CROSS-CUTTING ISSUES**

### **ENVIRONMENT AND CLIMATE CHANGE (AND IF RELEVANT DISASTER RESILIENCE)**

Environment policies contribute to job creation and social inclusion in the EU. There is a clear link between social inclusion and the quality of the environment. It is often Europe's poorest who suffer most from pollution, and so gain most from environmental improvements. Other links exist in areas such as health and safety at work, and quality of jobs. In short: environment policies can contribute to employment objectives and vice versa, in line with the concept of sustainable development. These potential win-win solutions need to be sought and promoted whenever possible. Importance of the environment policy will be reflected through the Platform.

### **ENGAGEMENT WITH CIVIL SOCIETY (AND IF RELEVANT OTHER NON-STATE STAKEHOLDERS)**

Non-governmental organisations and social partners are regular participants in different processes, including the ERSP process. The main stakeholders targeted in this Action will be the relevant national employers' and workers' organisations. Non-governmental organisations will be involved as appropriate. Their presence will also be requested in this Platform.

### **EQUAL OPPORTUNITIES AND GENDER MAINSTREAMING**

The RCC and ILO are equal opportunity institutions which agree not to discriminate against in any contract it may conclude with any person because of his/her race, colour, religion, national origin, sexual orientation, physical or mental disability, or age.

Gender equality is an important horizontal issue that will be included in the Platform. All over the region, gender gaps remain in the labour market and in general participation in social life. This should be addressed through the employment and social reforms as a horizontal issue. Due attention should be paid to equalise the speakers at the conferences.

### **MINORITIES AND VULNERABLE GROUPS**

Inclusion of minorities and vulnerable groups represent an important horizontal issue in the region. The degree of discrimination and social exclusion vary, but every beneficiary has problems in including minorities and vulnerable groups at the labour market and in the society. NGOs protecting the rights of minorities and vulnerable groups should be part of peer reviews and regional conferences.

## **6. SUSTAINABILITY**

The budget of EUR 1-2 million can sustain the regional inter-ministerial meetings of the ESAP until 2018. A review of the activities could be done towards the end of the project and possible new funding could be allocated in order to continue these activities.

Also, the aim is that the governments commit to continue the reforms and the regional cooperation. They will also need to commit on the ownership of all the reforms in order to keep the sustainability

## **7. COMMUNICATION AND VISIBILITY**

Communication and visibility will be given high importance during the implementation of the Action. All necessary measures will be taken to make public the fact that the Action has received funding from the EU in line with the Communication and Visibility Manual for EU External Actions. Additional Visibility Guidelines developed by the European Commission (DG NEAR) will have to be followed.

The implementation of the communication activities shall be the responsibility of the contractors, and shall be funded from the amounts allocated to the Action.

Visibility and communication actions shall demonstrate how the intervention contributes to the agreed programme objectives and the accession process. Actions shall be undertaken to strengthen general public awareness and promote transparency and accountability on the use of funds.

The European Commission shall be fully informed of the planning and implementation of the specific visibility and communication activities.

The work for the Platform will be published on the EU websites and on some websites of the ministries and the EU Delegations. It will also be published on the RCC and ILO websites.