



BIH/20/02/EUR - EU Support to Local Employment Partnerships Phase II (LEP II) – Independent Midterm Evaluation

QUICK FACTS

Countries: Bosnia and Herzegovina

Evaluation date: 29 February 2024

Evaluation type: Project

Evaluation timing: Mid-term

Administrative Office: DWT/CO-Budapest

Technical Office: DWT/CO-Budapest

Evaluation manager: Maria Edeso

Evaluation consultant: Katerina Stolyarenko

DC Symbol: BIH/20/02/EUR

Donor(s) & budget: European Commission, NEAR- Instrument for Pre-accession Assistance; EUR 6,501,124

Key Words: Local Employment Partnerships (LEPs), active labour market programs, vocational training, SIYB

BACKGROUND & CONTEXT

Summary of the project purpose, logic and structure

Despite some positive developments in the labour market in Bosnia and Herzegovina (BiH), the structural challenges persist. The country faces a low labour force participation, high level of unemployment and a high share of undeclared work. Moreover, the COVID-19 crisis influenced the private sector's economic performance significantly. Without external support, the government of BiH would not have been able to stabilize the economy in the short run and to enable recovery when the immediate effects of the crisis start to decline.

The project EU Support to Local Employment Partnerships - Phase II (LEP II) focuses on the development of local employment partnerships (LEP) to deliver activation and labour market integration programmes in line with specific local needs, by providing technical assistance and capacity building of local public employment service (PES) offices to use LEPs as tools for the development of active labour market measures in line with local needs. The overall objective of the phase II is to improve socio-economic situation and living conditions in BiH, by contributing to better employability in local communities.

The project management team is composed of a Project Coordinator, a Project Officer, an Administrative and Finance Assistant, a Project Assistant and a Monitoring and Evaluation Officer. The project team is supported by specialized technical staff: a Senior Employment Specialist and an Enterprise Specialist. The project is oversight by the Project Steering Board and tripartite Advisory Board members, who were nominated by the most relevant institutions in BiH at the beginning of the project implementation.

Present situation of the project

The LEP II project is currently in its third year of execution and in the first half of its implementation it has selected 20 selected Local Employment Partnerships (LEPs) to deliver activation and labour market integration programs in line with specific local needs. The project was granted a cost extension for an additional 30 months by the donor in September 2023 due to unused funds under IPA II. The project's budget was increased by 45 per cent to EUR 6,501,124 (EU contribution constitutes EUR 6 mln) to ensure the sustainability of initiatives of local partnerships for employment and further monitoring of employment. Also, during the cost-extension period, the project plans to select another 6 LEPs by March 2024.

Purpose, scope and clients of the evaluation

The mid-term evaluation took place in November 2023 and January 2024 following ILO principles, methods and strategy of ILO's evaluation policy.

The purpose of the midterm evaluation was to assess the continued relevance of the project and the progress made towards achieving their planned objectives. The findings of the evaluation would inform a potential revision or improvement, as may



	<p>be required, of work plans, strategies, objectives, partnership arrangements and resources, including recommendations for the remaining period of implementation. The evaluation encompassed all activities and components of the project in the period from 1 January 2021 to 30 September 2023, including all stages of the project, including initial project design, work planning, and implementation, monitoring and reporting, and focuses on the criteria of relevance, validity, coherence, efficiency, effectiveness, impact, and sustainability. The 20 LEPs selected by LEP II project were also part of this MTE.</p> <p>In line with ILO evaluation policy, gender equality, disability inclusion and other non-discrimination issues are important cross-cutting policy drivers of the ILO.</p> <p>Main client of the evaluation:</p> <ul style="list-style-type: none"> • Members of the Project Steering Board and the tripartite Project Advisory Board • ILO Project Management Team • ILO National Coordinator • DWT/CO-Budapest Office • Tripartite constituents • Delegation of the European Union to Bosnia and Herzegovina <p>Secondary clients and users of the evaluation are:</p> <ul style="list-style-type: none"> • ILO’s Government Body • ILO relevant Departments • The municipalities of BIH that have been not selected in the LEP II
<p>Methodology of evaluation</p>	<p>The evaluation was carried out in accordance with the UN Evaluation Group (UNEG) Norms and Standards (updated in 2016), and OECD/DAC’s recommendations, as well as the ILO’s Evaluation Policy Guidelines, by adhering to the ethical standards and codes of conduct when gathering information to protect those involved in the evaluation process. Thus, the confidentiality of the respondents was respected. As much as possible, the evaluation applied triangulation/cross-checking and observations to increase the credibility and validity and to minimize any subjective conclusions. The evaluation was based on a mixed methods approach composed of a desk review, interviews with the project staff, ILO specialists, development partner, LEPs local partners and beneficiaries.</p> <p>The primary evaluation activities included:</p> <ul style="list-style-type: none"> • Document review - project documents, progress reports, monitoring and evaluation reports, and other relevant material from secondary sources; • Interviews with direct stakeholders – project management teams, stakeholders, and development partner carried out in person or online taking into account the availability of the stakeholders. The interviewees were selected on the proposal of the project team and the evaluator and were relevant for the project implementation.

- **Site visits to the selected LEPs** - to three selected LEPs (Lukavac, Gornji Vakuf-Uskoplje and Banja Luka) to observe how effective are the active labour market measures and assess their contribution to the improvement of employability in local communities.
- **Mini-focus groups with direct beneficiaries** - vocational training and entrepreneurship programme beneficiaries from three target LEPs (Lukavac, Gornji Vakuf-Uskoplje and Banja Luka).
- **Online surveys among partners and beneficiaries** - LEPs partners; vocational training program beneficiaries; employers; entrepreneurship programme beneficiaries.

In total, **39 project partners and stakeholders were interviewed, 17 vocational training and entrepreneurship programme beneficiaries participated in mini-FGDs and 93 LEPs partners, 100 entrepreneurship programme beneficiaries, 54 vocational training programme beneficiaries, and 8 employers took part in the online surveys.** **Main limitations of the MTE:** qualitative respondents' unavailability for meetings, low level of participation in the online survey of vocational training beneficiaries and employers.

MAIN FINDINGS & CONCLUSIONS

Relevance

The LEP II project is highly relevant for the country's context of high unemployment, and an employment rate almost half that of the EU, combined with the limited capacities of beneficiary institutions to effectively deal with the magnitude of the problem at the local level. The LEP II project's objectives respond to the needs of key stakeholders and is aligned with the main strategic documents and programs related to the economic development of BiH, such as the National Economic Reform Programme, the BiH Economic Reform Programme 2020-2022, the Strategies for Development of SMEs (2021-2027) in both entities, and reforming secondary vocational education and training (Strategy for Improvement of the Quality and Relevance of VET in BiH (2021- 2030), and Strategy of Education Development for Pre-university Education in the RS (2016-2021). The project also fits closely with the objectives of the cantonal and/or municipal development strategies aimed at enhancing community growth, economic competitiveness, and employment opportunities. The engagement with the Employers' and Workers Organisations is more incidental.

Validity of design

The LEP II project is well-designed to enhance the limited absorption capacities of beneficiaries and stakeholders, although its theory of change would benefit from better elaboration of institutional change and the anticipated outcome of LEPs as well as conduction of territorial diagnostics of local labour market needs. The Results Framework of the LEP II project is clear and measurable with 20 indicators



(2 impact indicators, 3 outcome indicators and 15 output indicators). Risks identification and the management of risk mitigation measures have been ensured. However, most of LEPs had issues with setting of realistic targets in line with the first call of proposals and taking into account the budget allocations. The targets of four output indicators of LEP II project should be revised further for the cost-extension period to reflect the accomplishments of twenty supported LEPs during the initial half of the project's implementation.

Coherence

The LEP II project contributes to the achievement of the overarching goal of the Annual Action Programme for Bosnia and Herzegovina for 2019 (EU4 Employment and Education). It is strategically in line with UNSDCF for BiH (2021-2025). Moreover, the project established a number of synergies with other EU-funded interventions (EU4Business and EU4Employment projects) either through cost-sharing or complementarity of the activities or resources. The project supports four Strategic Objectives of ILO's Decent Work Agenda and contributes to the ILO's strategic policy frameworks i.e., the ILO Programme and Budget (P&B) 2020-2021 and 2022-2023 and related Policy Outcomes 3, 4 and 5. It also complies with the 2030 Agenda for Sustainable Development, and the SDGs, in particular Outcomes 3, 4 and 5.

Effectiveness

In overall, the LEP II project is processing well in achieving of its objectives, especially under the Entrepreneurship programme component. However, vocational training component requires attention specifically when it comes to the achievement of target on the obtaining full-time employment. The project established 20 local partnerships which in the period until September 2023, improved the qualifications of 1,549 unemployed persons, formally employed 410 people, developed 66 certified training programs for the labour market and supported the establishment of 153 small businesses. A number of challenges have been identified by the mid-term evaluation which were encountered by the LEP II project between 2021 and 2023, such as the COVID-19 pandemic, the particularly large number of stakeholders to be coordinated, the structural labour market challenges, capacity of the public employment services to provide quality services to jobseekers. The main success factors which contributed to achieve the progress described in the above include the continuity of support to the LEPs established under LEP I project, strong project management and governance structures.

Efficiency

The allocation of resources (financial, human, institutional and technical) is satisfactory to achieve the results of the LEP II project. Grants administration in response to the first call for proposals was executed with a minor delay, but overall

efficiency is satisfactory. Along with a thorough Risk Management Matrix, the LEP II project reporting is timely and effective. Nevertheless, at the level of supported LEPs, there is a room for improvement of the quality of progress reporting and timely sharing of means of verification on the Logframe's indicators. Most of target LEPs have also scope for development in their execution of the communication and visibility strategy. The project management and governance structures are effective as continuously guide and support the selected LEPs. However, enhanced focus is needed on the monitoring of financial expenditures by supported LEPs and the intensification of LEPs results monitoring.

Impact

The project is progressing in the right direction by overseeing and assisting in the execution of twenty LEPs projects at the local level throughout BiH. This ultimately contributes to the enhancement of employability in the local communities. Both vocational training and entrepreneurship programmes contribute to improvement of income, changes in skillset and/or mindset of hard-to-employ groups. However, better results in terms of employability are demonstrated by the entrepreneurship programme beneficiaries rather than vocational training programmes graduates. The main reasons for that are the disparity between the qualifications and experience of unemployed persons with expectations related to the workplace, the scarcity of employment prospects in local communities where the majority of employers are small and medium-sized businesses and poor employment conditions offered by the private sector.

Sustainability

The institutional sustainability of LEPs have been promoted by the project through the formalization of LEPs and strengthening the capacity of LEPs members; meanwhile, policy and financial sustainability have been fostered through the development and adoption of the Local Employment Action Plans (LEAPs). As of the midterm evaluation, a significant proportion of supported LEPs (16 out of 20) had developed LEAPs; however, the current rate of adoption of LEAPs is only half the currently supported LEPs (10 out of 20). Furthermore, there is scope for additional enhancement of the capabilities of LEP partners, particularly local authorities and PES, as well as coordination among all LEP members.

RECOMMENDATIONS, LESSONS LEARNED AND GOOD PRACTICES

Main recommendations

Recommendation 1: For the cost-extension period encompassing 26 LEPs, the targets for a few output indicators in the LEP II project Logframe should be revised so as to accurately reflect the accomplishments of 20 LEPs from 2021 to 2023.

Recommendation 2: Develop the sustainability strategy for the LEP II project to serve as reference framework document and have it adopted by the PSB.

Recommendation 3: Ensure better support for people with disabilities by target LEPs through promotion of better communication and coordination with relevant actors.

Recommendation 4: Ensure that the territorial diagnostics are conducted by newly awarded LEPs prior to the implementation of their respective LEP initiatives.

Recommendation 5: Sustain and further develop partnerships with business and business organizations to promote their involvement in design and implementation of effective LEPs. Continue and expand the mentoring activities under LEPs as beneficiaries have restated their satisfaction and have positively assessed related impacts on their business. SIYB grant amounts for entrepreneurs planning to launch businesses in the production sector should be increased by the newly awarded LEPs. The duration of the IYB trainings should be also revised in order to allocate sufficient time for proper coverage of all training topics.

Recommendation 6: Further harmonize professional training with the requirements of the labour market. It is recommended that newly awarded LEPs place a greater emphasis on retraining, given the greater interest in such types of training among the unemployed people.

Recommendation 7: Continue strengthening the capacity of LEPs partners in M&E (results and financial) and communication for more effective implementation of the LEPs projects. Newly awarded LEPs should consider allocating a supplementary budget for M&E. LEPs should also strengthen evaluation of effectiveness of training programmes to promote improvement.

Recommendation 8: Consider establishing of a computerized Management Information System for ILO Sarajevo particularly for EU-funded projects including the LEP II project which would allow to have a real time data validation, dynamic dashboards, data security and generation of analytical reports.

Recommendation 9: Strengthen capacities of social partners in their particular functions and roles as needed.

Main lessons learned and good practices

Lessons Learned

- ✓ Relevance of intervention and consultations at both project design and implementation phase play a vital role towards broad-based “buy-in” and support by stakeholders.
- ✓ Political instability and the socioeconomic climate have an impact on project partners; this should be taken into account during the assessment of the level of interest of the partners to take part in the project.
- ✓ Almost all LEPs experienced challenges with recruitment of participants for vocational training programmes due to the insufficient utilization of advertising channels, insufficient duration of public calls, lack of interest and motivation of unemployed in trainings in less appealing occupations.



- ✓ Employment, and in most cases documenting of beneficiary's employment proves to be major challenge in vocational training programmes component of LEPs projects. Once participants receive their certificate, they usually stop answering calls or any other communication from LEPs.
- ✓ Communications and visibility campaign was outsourced to external consultants by some LEPs. LEPs partners experience suggest that in any future projects this function should be conducted internally.
- ✓ Monitoring and evaluation of skills development initiatives need systematic frameworks and follow-up activities to assess results beyond outreach.

Good practices

- ✓ The implementation of the LEP II project in BiH is a good practice example on how to create jobs through decentralized responses to local labour market needs.
- ✓ LEP Banja Luka could serve as a good practice in terms of replication of SIYB by Banja Luka City Council.
- ✓ The LEP II project shows that CSOs show better results as lead partners in comparison with local authorities or local and regional development agencies.