



**EVALUATION OF THE EUROPEAN COMMISSION AID IN THE  
FIELDS OF SOCIAL AND RURAL DEVELOPMENT**

**Framework contract**

**AN EVALUATION OF PHARE-FINANCED  
LABOUR MARKET AND SOCIAL SECURITY  
REFORM PROGRAMMES**

**Case studies in Lithuania and Slovakia**

**FINAL REPORT**

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*The author accepts sole responsibility for this report, drawn up on behalf of the European Communities. The report does not necessarily reflect the views of the Commission.*

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## Table of Contents

<b>LIST OF ABBREVIATIONS</b> .....	<b>2</b>
<b>WHAT IS PHARE?</b> .....	<b>4</b>
<b>EXECUTIVE SUMMARY</b> .....	<b>5</b>
<b>1. INTRODUCTION</b> .....	<b>11</b>
<b>2. METHODOLOGY</b> .....	<b>14</b>
I. GENERIC LOG-FRAME FOR THE LEGAL AND INSTITUTIONAL REFORM .....	19
II GENERIC LOG-FRAME FOR EQUIPMENT & INFORMATION TECHNOLOGY .....	22
III GENERIC LOG-FRAME FOR HUMAN RESOURCES DEVELOPMENT .....	24
<b>3. LITHUANIA</b> .....	<b>26</b>
3.1 PROGRAMME OVERVIEW .....	26
3.2 PROGRAMME RELEVANCE.....	29
3.2.1 <i>Relevance of the programmes with respect to national needs and policies</i> .....	29
3.2.2 <i>Appropriateness of design</i> .....	31
3.2.3 <i>Comparative advantages of Phare</i> .....	32
3.3 PROJECT LEVEL EVALUATION .....	33
3.3.1 <i>Rationale for the evaluation of projects</i> .....	33
3.3.2 <i>Relevance</i> .....	35
3.3.3 <i>Effectiveness</i> .....	35
3.3.4 <i>Efficiency</i> .....	36
3.3.5 <i>Impact</i> .....	36
3.3.6 <i>Sustainability</i> .....	38
<b>4. SLOVAKIA</b> .....	<b>40</b>
4.1 PROGRAMME OVERVIEW .....	40
4.1.1 <i>The Labour market Development Programme</i> .....	40
4.1.2 <i>The Social Security Programme</i> .....	40
4.2 OVERALL PROGRAMME RELEVANCE .....	41
4.2.1 <i>Relevance to national needs and policies</i> .....	41
4.2.2 <i>Appropriateness of design</i> .....	43
4.2.3 <i>Comparative advantage of Phare</i> .....	44
4.3 PROJECT LEVEL EVALUATION .....	47
4.3.1 <i>The Labour Market Development Programme</i> .....	47
<i>Effectiveness</i> .....	47
<i>Efficiency</i> .....	47
<i>Impact</i> .....	48
<i>Sustainability</i> .....	49
4.3.2 <i>The Social Sector Programme</i> .....	49
4.3.3 <i>Management issues</i> .....	54
<i>The PMU/PIU</i> .....	54
<i>The role of PMU/PIU</i> .....	54
<i>The problem of co-ordination</i> .....	55
<b>5. CONCLUSIONS AND RECOMMENDATIONS</b> .....	<b>56</b>
5.1 LEGAL AND INSTITUTIONAL REFORMS .....	56
5.2 HUMAN RESOURCES .....	56
5.3 EQUIPMENT AND IT .....	57
5.4 RECOMMENDATIONS .....	57
<b>ANNEXES</b> .....	<b>59</b>

## List of Abbreviations

### General

AP	Accession Partnership
COP	Country Operational Programme
BSAL	Birks Sinclair and Assoc. Ltd,
ERDF	European Regional Development Fund
ESF	European Social Fund
ETF	European Training Fund
F M.	Financial Memorandum
IT	Information and Technology
NGOs	Non Governmental Organisations
NPAA	National Programme for the Adoption of the Acquis
SPs	Social Partners
TA	(Phare) Technical Assistance

### Lithuania

IITS	Integrated Information Technology System (SoDra)
LEEOs	Local Employment Exchange Offices
LEI	Local Employment Initiative
LO	Local Office (SoDra)
MPAR	Ministry of Public Administration and Reform
MSSL	Ministry of Social Security and Labour
MIS	Management Information System
NLE	National Labour Exchange
NLI	National Labour Inspectorate
OSH	Occupational Safety and Health
Seimas	Parliament
SMEs	Small and Medium Sized Enterprises
SoDra	State Social Insurance Fund Board
SWSI	Social Welfare Service – Ireland

### Slovakia

ALMIs	Active Labour Market Interventions
ALMPs	Active Labour Market Policies
AOA	Agentura Osobnej Asistencie (Centre for Counselling in Social Works)
ATF	Advisory Task Force
AZZZ	Slovak Employers' Association
CEECs	Central and Eastern Europe Countries
DLO	District Labour Office (79)
EACs	European Agreement Countries
EF	Employment Fund (public legal entity)
ESA	Employment Services Administration (budgetary institution)
ESF	European Social Fund
EURES	European Employment Services
GTAf	General Technical Assistance Facility
IIRC	Inter-Institutional Reform Committee
KZAM	Occupational Classification and Coding System in Slovak Republic
KOV	Kosicka Organizacia Vozickarov
KOZ	Slovak Workers' Union
MoLSAF	Ministry of Labour, Social Affairs and Family
LMDP	Labour Market Development Programme

LMIS	Labour Market Information System
NLO	National Labour Office (formed from a merger of the EF and the ESA (as of January 1997))
NPAA	National Programme for the Adoption of the Acquis
OCCG	Occupational Counselling and Career Guidance
PAO	Programme Authorising Officer
PALMIF	Pro-active Labour Market Intervention Fund
PIU	Programme Implementation Unit (as of 1st July 1999)
PMU	Programme Management Unit (replaced by PIU since 7-1999)
RILSAF	Research Institute of Labour, Social Affairs and Family
RHSD	Council on Economic and Social Agreement
RLO	Regional Labour Office (8)
SIA	Social Insurance Agency
TPs	Training Providers
TPC	Tripartite Council Secretariat
VET	Vocational Education and Training
WAPES	World Association of Public Employment Services

## **WHAT IS PHARE?**

Phare was established in 1989 and originally stood for “Poland Hungary Aid for the Reconstruction of the Economy”. However, it was quickly extended, in terms of both countries and budget, and by 1997, 13 CEECs had become eligible for Phare support: Poland, Bulgaria, Hungary, Lithuania, Latvia, Estonia, Czech Republic, Romania, Slovakia and Slovenia, Albania, Bosnia and F.Y.R.O.M. At the end of 1998, cumulative commitments amounted to some € 8,7 billion, all in the form of non-reimbursable grants, financed from the E.U. budget.

During the first years it was the European Union’s financial instrument to assist the Central European countries (CEECs) in their transition from an economically and politically centralised system to a decentralised market economy and democratic society. Phare took a new turn after the Copenhagen Summit (June 1993) confirmed the prospect of membership for the CEECs and the Essen Summit (December 1994) designated Phare as the main financial instrument to support pre-accession strategies. Following the publication of the European Commission’s Opinions (July 1997) on Accession of the Candidate Member States, the Phare Programme became fully focused on Accession. From 1998 onwards, Phare programmes are based on Accession Partnerships, which indicate the areas of the ‘Acquis Communautaire’ (the set of E.U. legislation and regulations) where Candidate Member States need to make further progress in order to pave the way for full membership. Phare provides both technical assistance and investment support to help them implement their National Programme for Adoption of the Acquis. From the year 2000 onwards, Phare will be complemented with an opening up of the EU’s Cohesion Fund (ISPA, € 1 bln/year) and Agricultural Fund (SAPARD, € 0.5 bln/year) to the candidate member states. The Phare countries that are not candidate member states (Albania, Bosnia and FYROM) will continue to receive the more ‘traditional’ types of Phare assistance, with emphasis on economic and political transition.

More information on Phare and on Enlargement of the EU can be found at the website of the European Commission at <http://europe.eu.int/comm/enlargement/index.html>. More evaluation reports on Phare and other EC external programmes are available at <http://europa.eu.int/comm/scr/evaluation/index.html>

## EXECUTIVE SUMMARY

### Introduction

This report contains two evaluation case studies of Phare-financed Labour Market and Social Sector (LM&SS) reform programmes, in Lithuania and in Slovakia. Altogether, Phare LM&SS programmes account for some € 130 million or less than 2 per cent of the total Phare budget over the period 1990-98. The budget allocated to the programmes under these case studies amounts to € 3.7 million in Lithuania and € 4.6 million in Slovakia, or some 6 per cent of the total Phare LM&SS budget.

All these programmes were originally identified during the 1994, 1995 and 1996 programming and budget years, though their implementation was completed mostly in 1998 and 1999 only. As such, their identification and design dates back to the period when Phare was gradually moving away from pure economic transition concerns and evolving fast towards an instrument to facilitate Accession to the EU. However, most of the programmes evaluated in this report already bear the stamp of this accession orientation and focus on the *Acquis Communautaire* in the domain of social security and labour market reform.

Social sector programmes have again come to the forefront in the new Phare 2000 programme implementation Guidelines<sup>1</sup>, with more focus on social issues. Against that background, an evaluation of Phare's past experience with LM&SS reform programmes was considered useful and timely.

### Methodology

This report applies the EC's *de facto* standard evaluation method, based on five evaluation criteria derived from the Logical Framework approach to project design. Three generic outputs are considered: Trained human resources; legal and organisational proposals; installed and operational equipment. The efficiency criterion evaluates the transformation of inputs into outputs, both in quantitative (where feasible) and qualitative terms. Outputs should contribute to the achievement of immediate and wider objectives. Effectiveness assesses the extent to which outputs contribute to the immediate objectives: the extent to which draft legal and regulatory proposals - prepared with direct or indirect Phare assistance - have been *formally* adopted by the competent legislative and executive authorities. This is to be distinguished from *effective* implementation, which is examined under the impact criterion. Impact, relates achievement of immediate objectives to wider objectives. The evaluation examines the extent to which adopted institutional structures, legal and regulatory frameworks are effectively implemented and implementable. The sustainability criterion assesses the extent to which impact is sustainable over a longer time horizon, and the factors that affect it.

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<sup>1</sup> [http://europa.eu.int/comm/enlargement/pas/phare/implementation/guidelines/guidel\\_2000\\_en.htm](http://europa.eu.int/comm/enlargement/pas/phare/implementation/guidelines/guidel_2000_en.htm)

Apart from a project level evaluation, the Logical Framework methodology also allows for programme or policy level approach, revolving around the relevance criterion. Relevance is assessed in by analysing the relation of the programme activities to government policies, the assumptions made on absorption capacities and political priorities and the comparative advantage of Phare support provided.

A standardised project evaluation fiche for each individual project is presented in Annex I. Each of the projects is scored on a scale of 1 to 5 on the five evaluation criteria: 1: poor; 2: below average; 3: average; 4: good; 5: excellent. For each country, a table presenting the evaluation scores by main programme components has been constructed, using the ratings at both Programme and Project level. The lack of objectively verifiable information and data for many of the indicators used in this evaluation implies however that the scorings are affected by subjective interpretations of the limited available information and should therefore be interpreted cautiously.

## **Lithuania**

Phare has supported two programmes in Lithuania for labour market and social security reform, first on the 1995 budget (LI-9502) and a second in 1996 (LI-9612). The principal beneficiary institutions are the Ministry of Social Affairs and Labour (MSSL) and the State Social Insurance Fund (SoDra).

Taken as a whole, the different interventions under the 1995 and 1996 Phare LM&SS programmes fit the needs and policies of Lithuania. The government has adapted some of the technical assistance under the 1996 programme to help it meet the requirements, which were set out in the 1998 EC Opinion on Accession of Lithuania. With the installation of a new government in 1999, a new Strategy and Action Plan for 1999 has been adopted which will cover all areas and which will be consistent with the requirement of the pre-accession strategy. Two issues are at stake: the proper transposition of EU Acquis into Lithuanian legislation; and a modernised administration to ensure its correct application.

The overall achievement of these macro-policy priorities is also reflected at project level, under four groups of activities related to:

- Transposition of Acquis with projects in Occupational Health & Safety; the National Labour Inspectorate, and Legislation for Social Insurance and policy
- Strengthening institutional capacity and organisational change
- Support to the social insurance fund, SoDRA.
- Active employment policy: Local Employment Initiatives

Relevance tends to be more variable at project level, however. As far as the legislative part is concerned (OSH, NLI and Social Insurance: policies and legislation), there is clear evidence that Phare assistance has led to changes in legislation in accordance with the *acquis*. However, while both projects, “Adviser to MSSL” and “MSSL capacity strengthening”, are relevant *per se* since they correspond to the kind of assistance requested by the government, it is hard to discern the relevance of their outputs. Support for SoDra has focused mainly on management and organisation of its local offices, contrary to other programmes in Lithuania that focused more on pre-accession policies and issues.

Overall, the design of the Phare programme was also appropriate, even if some aspects must be qualified. The legislative projects for OSH and Social Insurance policy were

designed in alignment with the 'acquis'. The consultative process was lengthy and there were some gaps in the design that constrained its effectiveness. The project started at the time of political and organisational changes at MSSL during national preparations for a General Election, resulting in reluctance of staff to address issues identified by the adviser.

The project for SoDra was designed to meet the need for organisational change of SoDra and MSSL. Nevertheless, the scale of changes and skills transfer raised questions concerning their sustainability. Secondly, sustaining the changes that have been introduced will require the necessary management leadership and drive to ensure that this takes place.

The project for LEIs was meant to cover both active employment measures and serve as a model for future support under EU Structural Funds. Its design was not well-formulated and diffuse.

The EU experts brought a comparative perspective with EU countries on the different norms and standards. They were related to those particular activities, which had been supported under the Phare programme. It could be said that without EU experts and their knowledge of the demands of EU norms, the quality of the legislation might be such that discrepancies with EU law would occur and which might cause problems in accession negotiations.

A summary of project evaluation scores can be found on page 34.

## **Slovakia**

Phare has assisted labour market reform since early 1992 through the CZ-9108 Programme (€ 6 million). In July, the Financial Memorandum for follow-up assistance under SR-9408 was signed with the wider objective "*To assist the Ministry in the development and refinement of employment policies and legislation*". The principal beneficiary institutions are the MoLSAF and the NLO.

Phare interventions for social protection started with the **GTAF General technical assistance facility** in 1992. GTAF I, II, III produced, among other things, specific studies on social assistance, data processing and actuarial valuation. A more comprehensive programme (SR 9305) on social security was started with some delay around 1995. Finally, a specific programme was elaborated on Social Insurance Reform (SR9407) with a wider objective "*to facilitate the economic and social reform process by establishing an effective and efficient social insurance system compatible with the macro-economic policy*". The activities on social protection were pursued separately with a new program (SR 9518) with the more specific objective: *To approximate EU standards and to decentralise and rationalise the social welfare system while containing costs and improving services.*

Rather than evaluating each programme separately, they have been divided in six components, each of them evaluated separately in this evaluation.



1 Information system of state benefits:	€ 465 300
2 Decentralisation of social services	€ 1,056,700
3 Training of social workers	€ 950,000
4 Policy and legislation	€ 668,000
5 Information system of National Insurance	€ 1,022,000
6 Strategic business plan	€ 544,800
Total:	€ 4,706,800

The programmes in labour market and social security reform were in essence demand-driven and not oriented to pre-accession, reflecting government policies at the time of their design. Changes towards an accession-driven approach are reflected in the NPAA and the 1999 Financial Memorandum, however.

As a whole, both Phare programmes fit the needs and policies of MoLSAF. Although both programmes were in essence demand-driven, some projects appear to have had pre-accession elements especially those related to pro-active policies, training and retraining. They reflect the priorities of the government that was concerned to improve social services and to adapt its social protection system. The objectives were ambitious compared to the size of the programmes.

The Labour Market Development Programme (LMDP) is structured to tackle the unemployment problem from at least two angles:

- a set of inter-related projects pointing to institution building and the creation of training institutions and centres of excellence;
- direct support through the Pro-Active Labour Market Intervention Fund (Palmif) to vulnerable regions

Support to information systems was based on strong demand from the administration. A more targeted strategy will certainly be more appropriate with a limited amount of support. Nevertheless, to concentrate on the “acquis” will fit only very partially the needs of the new government. Regular payment of pensions and of certain social benefits remains a top priority of public authorities in charge of social cohesion.

Government eagerly solicited Phare support as evidenced by MoLSAF’s successive proposals for Phare funding for 1997, 1998 and 1999. The position of the EC and the Office of Government was not supportive of these proposals but envisaged the Ministry’s participation in the Preparatory Programme for the administration of EU Structural Funds. The EU Delegation stated that the MoLSAF was already in a position to adopt the Acquis communautaire and only required minor adjustments to its legislation, policies and capacity to enable it to implement EU policies and programmes.

Most beneficiaries and stakeholders have been involved in the design of the individual projects. The Social Security programme was not clearly designed and had to be adapted because of change. Hence, the two new programmes were prepared more carefully. Insufficient time at the design stage was allocated to implement these three social sector programmes and, to a lesser extent, the LMDP. Implementation was reduced to a too short time to enable monitoring of the activities with maximum benefits. A lot of attention was given to building software, elaborate concepts and discuss strategies, but the means

and time to implement them was not sufficiently planned. Many interventions might remain empty shells.

The design of programmes should take more account of available local skills. In the fields of social sector, past experiences should not be considered as outdated. Many qualifications are not fully used because of lack of operating funds and equipment. According to usual Phare procedures, the design of a project and its implementation are done by different sub-contractors. Important modifications have to be made in the inception reports. The design should stress less ambitious but more precise objectives.

Phare TA generally provided a motivating force to speed up delivery of outputs and improve both their quality and effectiveness in respect of the beneficiaries. EU experts provided an impetus to the development of a particular activity, for example, drafting of legislation, reorganisation of the Social Insurance Agency, or Palmif project to tackle rural unemployment and low qualifications.

A summary of project evaluation scores can be found on page 53.

### **Conclusions and recommendations**

There was a difference in focus to Phare assistance between the two countries. Lithuania has gone further to develop changes that were related to the accession process and align legislation to the adoption of the 'acquis.' Whereas in the Slovak Republic, the focus was very much on tackling unemployment (a government priority) and social problems, relative to the development of legislation related to the accession process. The contribution of experts appears to have been oriented less on policy or legislation and more on training, labour market information systems, equipment and other institutional capacity building measures. That contrast appears to reflect not only the priorities of the Government, at the time when the assistance was programmed, but also the type of experts provided.

Phare assistance has played a key role in strengthening of both national and local capacities to administer programmes, through training delivered at project sites and for local labour exchange offices. Institutions like SoDRA in Lithuania and the SIA in the Slovak Republic were considerably reinforced through Phare assistance and through increased management capabilities and equipment (including hardware and software)-cum-training supplies.

Equipment delivery was an important input for both MSSL and MoLSAF's administrations and their related agencies. Equipment provided should enhance the collection and collation of data to support that role. However, full impact of these changes will depend on employers recognising their legal obligations. It is moot whether the economic incentives scheme that the NLI has designed will stimulate a higher rate of obligations being fulfilled. There are doubts as to the capacity of the NLI to enforce the legislation until the long-term impact of the training its inspectors have received can be fully assessed, as well as the extent of improved co-ordination made possible from the installation of new IT systems later in 1999.

The report recommends that:

- a) SoDra in Lithuania and SIA in Slovakia, both HQ and Local Offices, should use the Phare-assisted IT system to develop a set of performance indicators to permit a more refined analysis than the gross collection rate or the ratio of incomes to disbursements.
- b) The visible lack of coherence between multiple programme components in both countries has resulted in monitoring problems by the EC Delegations, which have staffing constraints that should be overcome.
- c) For the future design of LEIs, and to a lesser extent Palmif, a two-pronged approach would be preferable. One should be entirely socially oriented and supported by local institutions. Another should be strictly economically oriented and sustainable in the medium-term.
- d) Internal linkages should be developed under a fully-fledged labour market policy, which is still to be designed. This should be aimed at combating unemployment and poverty. It should be based on tripartite arrangements, parallel local (LEEOs) and national (NLE) capacity strengthening to meet pre-accession requirements. This would require the development of legislation at municipal level, in order to enable the local authorities to deal with the LEIs.
- e) More use of twinning as an instrument could give continuity of support to beneficiary organisations as well as help to avoid overlaps in the TA. This also fits into the post-2000 Phare agenda and the needs of the pre-accession process.

## 1. INTRODUCTION

This report contains two evaluation case studies of Phare-financed Labour Market and Social Sector (LM&SS) reform programmes, in Lithuania and in Slovakia. This evaluation is part of the 1998-99 work programme of Phare sectoral evaluation studies, implemented by the SCR Evaluation Unit. Other Phare evaluations carried out under this programme can be found on the SCR web site<sup>2</sup>.

Altogether, Phare LM&SS programmes account for some € 130 million or less than 2 per cent of the total Phare budget over the period 1990-98. Because of resource constraints, a full-scale evaluation of all these programmes was not feasible. After an initial inventory of these programmes was compiled, two countries were selected for detailed evaluation, Lithuania and Slovakia. The selection was done mainly on the basis of progress in implementation of these programmes. The total Phare budget allocated to the programmes under this case study amounts to € 3.7 million in Lithuania and € 4.6 million in Slovakia, or some 6 per cent of the total Phare LM&SS budget. Clearly, LM&SS reform has not been a major priority in the Phare programme.

All these programmes were originally identified during the 1994, 1995 and 1996 programming and budget years, though their implementation was completed mostly in 1998 and 1999 only. As such, their identification and design dates back to the period when Phare was gradually moving away from pure economic transition concerns and evolving fast towards an instrument to facilitate Accession to the EU. While Phare formally became the EU's instrument in support of accession in 1997 only, most of the programmes evaluated in this report already bear the stamp of this accession orientation. They focus on - or at least have been set up against the background of - the transposition and implementation of the *Acquis Communautaire* in the domain of social security and labour market reform.

Social sector programmes have again come to the forefront in the new Phare 2000 programme implementation Guidelines<sup>3</sup>, adopted by the Commission in November 1999. The new Guidelines re-confirm Phare's focus on institution building and investment activities, in support of the accession process, *"particularly in view of the increased emphasis to be given to economic and social cohesion"*. Furthermore, *"Assistance will also be given to support .. organisations involved in the Social Dialogue such as employers federations, and trade unions, as well as socio-professional organisations such as chambers of commerce and agriculture, and other representative bodies"*. The investment component of Phare will focus on *"investment in economic and social cohesion through measures similar to those supported in Member States through the European Regional Development Fund and the European Social Fund. This will promote the functioning of the market economy and the capacity to cope with competitive pressure and market forces within the EU"*.

Finally, the new Guidelines state that Phare *"will target support to the four pillars in the European Employment Strategy - improving employability, developing entrepreneurship, encouraging adaptability of businesses and their employees and strengthening equal opportunities. This may be achieved by a range of measures including retraining of the labour force, raising managerial capacity in industry and services and improving*

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<sup>2</sup> <http://europa.eu.int/comm/scr/evaluation/program/pharehome.htm>

<sup>3</sup> [http://europa.eu.int/comm/enlargement/pas/phare/implementation/guidelines/guidel\\_2000\\_en.htm](http://europa.eu.int/comm/enlargement/pas/phare/implementation/guidelines/guidel_2000_en.htm)

*innovative capacity. Particular attention will be paid to ensuring that Phare support to employment-related operations of a European Social Fund nature (e.g. human resources development) is fully in line with national employment strategies. Over time, Phare will seek to expand the range of activities covered to bring them closer to those supported by the ESF in Member States".*

Against that background, an evaluation of Phare's past experience with LM&SS reform programmes was considered useful and timely. The present report is the output of this evaluation.

The wider objective of this evaluation, like all other Phare evaluations, is to enhance the performance of Phare social security programmes, and thereby facilitate the candidate member states' entry into the EU. The immediate objectives of this evaluation are:

- a) to inform the Commission, the Parliament, the Council, other EU institutions and the wider public, about the findings and recommendations concerning the performance of Phare social security programmes (transparency and accountability)
- b) to induce EC/EU decision makers to apply the suggested improvements in these programmes (improvement in policies and strategies, design of individual projects, management and implementation arrangements, monitoring and feedback) in the framework of Phare 2000.

The demarcation line between labour market sector and social sector reforms is rather blurred and arbitrary. As illustrated below, a third sector, health, should ideally be included to give a representative picture of all linkages. Furthermore, education and vocational training programmes could conceivably be viewed as closely linked to labour market reforms. For the purpose of this evaluation, it was decided to concentrate on labour market and social sector reforms only, leaving out health, education and training. Phare financed vocational training programmes have been implemented - and evaluated - through the European Training Foundation<sup>4</sup>, an EU institution specialised in education and training programmes in the countries of Central and Eastern Europe. Health programmes are a separate topic and would require a more specialised evaluation.

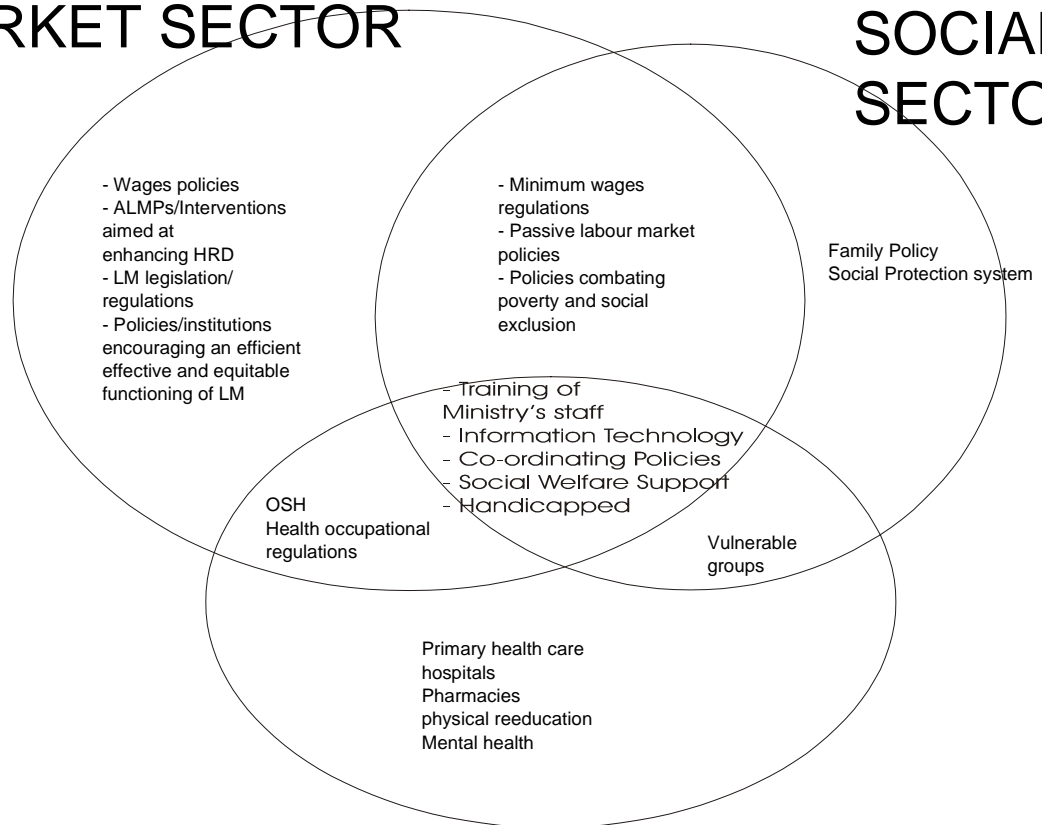
This report is structured as follows. Chapter 2 presents the methodology of the evaluation, based on the EC's de facto standard evaluation method which revolves around the evaluation criteria derived from Logical Framework. Chapter 3 presents the Phare-financed LM&SS programmes in Lithuania as well as an evaluation of each of the individual projects. Chapter 4 does likewise for Slovakia. Chapter 5 draws conclusions and recommendations. More details on individual project evaluations can be found in Annex.

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<sup>4</sup> <http://www.etf.org>

# LABOUR MARKET SECTOR

# SOCIAL SECTOR



# HEALTH SECTOR

## 2. METHODOLOGY

This report applies the EC's *de facto* standard evaluation method, based on five evaluation criteria derived from the Logical Framework approach to project design.

- At project level: efficiency, effectiveness, impact and sustainability, and
- At country programme level: relevance.

The Logical Framework is a method of classifying the chronological series of events in a project in a logical order. It distinguishes between various stages in the process that leads to the achievement of the objectives: preparation and design, delivery of inputs, activities, delivery of outputs, achievement of immediate and wider objectives, sustainability of achievements over time. The Logical Framework does not provide an explanation of the underlying mechanics that relate project events to each other.

One of the main advantages of the Logical Framework approach, is that it forces the project designer - and the evaluator - to define these events and make their occurrence verifiable by means of a set of objective indicators and assumptions. This facilitates monitoring of implementation arrangements and evaluation of achievements. In fact, a general set of evaluation criteria can be readily derived from the 'project logic' reflected in the Logical Framework, as shown in the following table ;

The central point in the classification of events is the **outputs** of projects. Outputs are the final deliverables, the point at which the responsibility of the project management stops. In the case of institutional reform projects, outputs usually consist of trained human resources and proposals for legal, regulatory and organisational reform. Implementation of the reforms is usually not the responsibility of a project team; it is up to decision-makers in the beneficiary institution to do so. Some projects may include support in the implementation phase, but final responsibility for implementation (especially of legislation) can never be attributed to an external consultant or expert.

Outputs are generated by means of **inputs**, which are used in activities. The Phare programme mainly delivers technical assistance inputs. In some cases, complementary equipment deliveries may also be included. Financial and physical investment inputs are, so far, rather limited under the Phare programme, although they may be important for some projects.

### Project-level evaluation criteria:

The **efficiency** criterion evaluates the transformation of inputs into outputs, both in quantitative (where feasible) and qualitative terms. Activities were mostly co-ordinated, if not executed directly, by an institutional set-up that plays a central co-ordinating role. Phare has provided extensive support for such institutional set-ups. The evaluation tries to examine the efficiency of Phare's assistance (including planning and decision-making procedures, institutional arrangements and coordination) and assess its contribution to the quality and pace of approximation and adoption of the Acquis.

**Inputs** are the personnel, equipment, materials and other resources required to undertake the project activities. In the case of the Labour Market Reform and Social Security programmes, they are typically in the form of technical assistance provided by international contractors and local companies, augmented by the supply of internationally or locally provided equipment. These activities should provide a set of measurable outputs, i.e. the tangible outcomes achieved in the project time span.

Three broad generic outputs can be distinguished: *Trained human resources; legal and organisational proposals; installed and operational equipment*. These can be identifiable from comparisons and cross-checking between direct observation, analyses of TA inception, progress and final reports, and interviews from beneficiaries. Evidently, the most difficult part is to assess the net effect of Phare TA on institutional or organisational enhancement.

For institutional reform, **efficiency indicators** should measure, in quantitative, financial and qualitative terms, how well TA or know-how inputs are transformed into know-how outputs, both trained human resources and legal, regulatory and organisational structures proposals. Contractors employed to deliver TA inputs are responsible for the production of specified outputs. The efficiency criterion applies to them.

Once outputs have been delivered, they should contribute to the achievement of project objectives. Standard Logical Frameworks identify two levels: **immediate and wider objectives**. More levels can be inserted where useful. Objectives should be formulated within reasonable 'distance' from the outputs. If not, too many noise factors will come in between and verification of the correlation between outputs and objectives becomes impossible.

**Effectiveness** assesses the extent to which outputs contribute to the immediate objectives. The evaluation has examined the extent to which draft legal and regulatory proposals - prepared with direct or indirect Phare assistance - have been *formally* adopted by the competent legislative and executive authorities. This is to be distinguished from *effective* implementation, which is examined under the impact criterion. The causes of delays, obstacles and repeated rounds of revisions are analysed. The evaluation looks in particular at possible bottlenecks in the adoption process within the relevant institutions and considers the consequences for the design and composition of future Phare assistance packages. The report also evaluates the effectiveness of secondary activities mentioned above. To what extent have the outputs of these activities been used effectively in - and facilitated - the institutional strengthening and the legal transposition process?

**Impact**, relates achievement of immediate objectives to wider objectives. The evaluation examines the extent to which adopted institutional structures, legal and regulatory frameworks are effectively implemented and implementable. More in particular, the evaluation looks at the resources of the authorities responsible for implementation (sufficient number and trained staff, material resources, staff motivation), the efficiency of the organisational set-up of the verification and enforcement authorities, enforceability of the measures and related transaction costs. Special attention was paid to legal coherence (potential contradictions between new laws and regulations and other existing regulations).



The **sustainability** criterion assesses the extent to which impact is sustainable over a longer time horizon, and the factors that affect it. Sustainability can be examined from several angles. The organisational set-up is not assumed to be sustainable in the long term as its usefulness does not stretch beyond a transition period. Sustainability of the legal and regulatory reform outputs produced by this set-up can be considered from a formalistic and a substantive point of view. From a formalistic (adoption) point of view, laws and regulations, once adopted, remain valid until they are repealed. From a substantive (implementation) point of view, their sustainability is very much linked to the factors discussed above under impact.

#### Programme level evaluation:

In addition to evaluating individual projects against efficiency, effectiveness, impact and sustainability, the intent has also been to evaluate the labour market and social sector as a whole. For this approach, the Logical Framework analysis normally applies a **relevance** criterion that assesses the extent to which the various components of a programme fit into the country's needs, policies and strategies.

Apart from a project level evaluation, the Logical Framework methodology also allows for programme or policy level approach, revolving around the **relevance** criterion. Relevance is assessed in by analysing the relation of the programme activities to government policies, the assumptions made on absorption capacities and political priorities and the comparative advantage of Phare support provided. There are thus three aspects to relevance:

- An assessment of the overall programme, including its project level components, with respect to the needs, policies and strategies of the country: was this the right thing to do?
- Were the right assumptions on institutional capacities in the recipient countries made and were mechanisms put in place to avoid duplication between different programmes? Was this the right way to do this?
- An assessment of Phare's comparative advantage in carrying out this programme: why did Phare do this?

**Diagram 1: Logical Framework and derived Evaluation Criteria**

<b>Project Logic</b>	<b>Evaluation criteria</b>	<b>Indicators for institution building/reform projects</b>
Sustainable over time		<i>Long-term viability factors</i>
↑ <b>Sustainability</b>		
Wider objectives		<i>Changes in performance of the target institutions</i>
↑		
Immediate objectives	<b>I mpact</b>	<i>Effective application of proposals &amp; trained human resources and operational equipment</i>
↑		
	<b>Effectiveness</b>	
Outputs		<i>Trained human resources ; legal and organisational proposals ; installed and operational equipment</i>
↑		
	<b>Efficiency</b>	
Inputs		<i>Technical assistance inputs Equipment and materials</i>

A standardised project evaluation fiche was designed for reporting on each individual project, based on the above evaluation criteria. These fiches are presented in Annex I while a summary and a comparative analysis is provided in the main text.

Each of the projects is scored on a scale of 1 to 5 on these evaluation criteria: 1: poor; 2: below average; 3: average; 4: good; 5: excellent. For each country, a table presenting the evaluation scores by main programme components has been constructed, using the ratings at both Programme and Project level.

The lack of objectively verifiable information and data for many of the indicators used in this evaluation implies however that the scorings are affected by subjective interpretations of the limited available information and should therefore be interpreted cautiously. Verification relied upon interviews of main players, intensive checking carried out between inputs such as reports analysis, field visits, interviews of contractors and stakeholders, equipment delivered and outputs (quantity, quality) in comparison to project duration.

The Logical Framework analysis has been applied to the evaluation of the Phare-financed labour market and social sectors. The starting point has been to establish an *ex-post* generic logical framework, for each type of output:

1. Legal and organisational reform proposals;
2. Equipment installed and operational equipment (including IT) ;
3. Human resources development including training.

In the following pages, the details of these three generic logical frameworks are presented. The indicators have been selected to take into account the specific characteristics of Labour Market and Social Sector reform projects.

Individual projects will be classified according to type of output and evaluated against the objectives and indicators in the *ex-post* generic logical framework. There are several reasons why the objectives and outputs mentioned in the original project documents can not be used for evaluation and will be listed in the project fiches for reference only. First, logical frameworks are not available for most of the Phare projects dating back to the early and mid-90s; at the time, it was not customary to include such a framework in the project design phase. Second, even where objectives and outputs are stated in the documents, and provided that these documents are available, they are often out of line with the definitions and concepts of the logical framework. Third, the use of generic and standardised logical frameworks enables performance comparisons between projects.

## I. Generic Log-frame for the Legal and Institutional Reform

Wider Objective(s)	Indicators	Means of verification	Assumptions
<ul style="list-style-type: none"> <li>-To assist the Ministry in the development and refinement of employment and social security policies and legislation</li> <li>-To help develop a regulatory and institutional basis for a labour market environment promoting employment and sustainable industrial growth</li> <li>- To improve and make more efficient preparation, design and implementation of labour market policies and programmes;</li> <li>- To facilitate national legislation accession;</li> <li>- To improve organisational performance.</li> <li>- To develop tripartite structures at all levels (macro, medium, micro)</li> <li>- To increase involvement of the social partners in the formulation of labour market and social policy</li> </ul>	<ul style="list-style-type: none"> <li>(beyond the ministry's level)</li> <li>- Proposals &amp; instruments approved by the government and tripartite partners and implemented by different departments;</li> <li>- Explicit service standards developed and used;</li> <li>- Legislation on OSH, NLI and social insurance in harmony with those of the EU;</li> <li>- Explicit service standards developed and used;</li> <li>- Public opinion on service delivery;</li> <li>- Collection rate;</li> <li>- No of benefits distributed</li> <li>- No of handicapped people taken care of</li> <li>- Tripartite committees formed in the areas of labour market and social policy at all levels</li> <li>- Increased number of labour market and social policy issues discussed and handled by tripartite committees</li> </ul>	<ul style="list-style-type: none"> <li>- Organisational reviews</li> <li>- Internal progress reports.</li> <li>- Annual SIA reports</li> <li>- National Statistics</li> <li>- Reports and statistics from CEECs' tripartite bodies, ministries of labour and national/regional employment services</li> </ul>	<ul style="list-style-type: none"> <li>- General economic progress</li> <li>- Political stability</li> <li>- High level commitment to reform and funding of public services;</li> <li>- Continued government support for the intention to join the EU;</li> <li>- Public opinion supports the country's efforts to join the EU.</li> <li>- Instability of the organisational landscape of the social partners</li> <li>- Rate of organisation among employers or employees too low for legitimacy</li> </ul>
<p><b>Immediate Objective(s)</b></p> <ul style="list-style-type: none"> <li>- New draft law and/or new draft organisational structures and procedures established and operational to fill the gap between the country's and the EU's legislation and corresponding to the EU Opinion made to meet pre-accession requirements;</li> <li>- New draft labour market and social security policies and legislation approved by the government;</li> <li>- To strengthen the ministry's capacity to make it capable of devising labour market and social security strategies;</li> <li>- To enhance the role of the NGOs in the decentralisation process</li> <li>- To define and develop the role of tripartite boards in relation to the management of the labour market and social policy systems</li> <li>- To assist in development and</li> </ul>	<ul style="list-style-type: none"> <li>(beyond the ministry's level)</li> <li>- Laws enacted by the Parliament</li> <li>- New structures are budgeted, staffed, equipped, and provide the required services;</li> <li>- An EU-conform social security strategy has been adopted;</li> <li>- Share of peripheral budget compared with central in the social sector</li> </ul>	<ul style="list-style-type: none"> <li>- Parliamentary reports</li> <li>- Organisational reviews</li> <li>- Public opinion surveys</li> <li>- TA reports</li> <li>- Organisation charts</li> <li>- National financial law</li> </ul>	<ul style="list-style-type: none"> <li>- High level commitment to reform and funding of public services</li> <li>- High commitment of staff</li> <li>- Decentralisation of services in other fields</li> <li>- Adequate territorial division</li> <li>- Public funding</li> <li>- Social Partners are not willing to take the responsibility, that comes with</li> </ul>

<p>improvement of legal framework for tripartite committees at all levels  - To train members of tripartite boards and employees</p>	<ul style="list-style-type: none"> <li>- No of NGOs involved in social projects</li> <li>- New responsibilities at local level</li> <li>- Training carried out for social partners</li> </ul>	<ul style="list-style-type: none"> <li>- Tripartite boards reviews</li> </ul>	<p>the increased role of tripartite boards</p>
<p style="text-align: center;"><b>Outputs</b></p> <ul style="list-style-type: none"> <li>- New legislation or new organisational structures or procedures developed;</li> <li>- New active/passive labour market policies and/or interventions defined and developed;</li> <li>- Ministry's departmental managers and staff trained in language, managerial, computing, motivational and communications skills;</li> <li>- Top management staff trained in policy and organisations;</li> <li>- Internal incentive system revised;</li> <li>- Increased involvement of social partners in labour market and social policy formulation</li> <li>- Legal framework for the tripartite co-operation implemented</li> <li>- Legitimacy of the tripartite boards widely accepted</li> </ul>	<p style="text-align: center;"><b>Indicators</b></p> <p>(at the ministry's level)</p> <ul style="list-style-type: none"> <li>- Draft laws submitted for approval to the Parliament;</li> <li>- Proposals and instruments submitted to various stakeholders;</li> <li>- Active measures linking LM and/or social insurance policy with other policies ;</li> <li>- 80 percent of trainees achieving specified standards;</li> <li>- Internal incentive system operational;</li> <li>- Salaries and premia, etc. have facilitated the hiring of highly competent staff</li> <li>- Competence of tripartite boards gradually widened</li> <li>- Draft Legal framework presented to government</li> </ul>	<p style="text-align: center;"><b>Means of verification</b></p> <ul style="list-style-type: none"> <li>- Progress reports</li> <li>- Cross-checking information through interviews and facts &amp; figures</li> <li>- Comparison with ToRs and inception report</li> <li>- Minutes of sessions of decision-making bodies</li> </ul>	<p style="text-align: center;"><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>- No major changes in political or organisational environment;</li> <li>- Suitable and interested participants;</li> <li>- Active participation in project by target group members</li> </ul>

Activities	Inputs	Costs	Assumptions
<ul style="list-style-type: none"> <li>- Review of current situation;</li> <li>- Needs analysis;</li> <li>- Preparation of proposals</li> <li>- Systems design</li> <li>- Staff training</li> <li>- Organisation of study tours and seminars</li> <li>- Equipment specification, acquisition &amp; installation;</li> <li>- Consultations and/or negotiations with key stakeholders and social partners, local, sectoral, regional, national levels;</li> <li>- Preparation of proposals</li> </ul>	<ul style="list-style-type: none"> <li>- Technical assistance (plus trainers);</li> <li>- Consulting services;</li> <li>Supporting equipment incl. Networked computers, and materials.</li> </ul>	<ul style="list-style-type: none"> <li>- € Budget</li> </ul>	<ul style="list-style-type: none"> <li>- Institutional commitment to reform</li> <li>- Adequate time and priority allocated to rational analysis, design, procurement, and installation process</li> <li>- Qualified foreign and international consultants</li> <li>- Co-operation from the management</li> <li>- Adequate ToRs</li> <li>- Correct assessment of what is needed</li> <li>- Sufficient representativeness</li> <li>or balance amongst social partners in local tripartite meetings</li> <li>- Willingness to co-operate or to speed up things</li> </ul>

## II Generic Log-frame for Equipment & Information Technology

<b>Wider Objective(s)</b>  - To improve organisational performance.  - To improve service delivery (one shop system)	<b>Indicators</b>  (beyond the ministry level)  - Explicit service standards developed and used.	<b>Means of verification</b>  - Organisational reviews  - Public opinion surveys	<b>Assumptions</b>  - High level commitment to reform and funding of public services;
<b>Immediate Objective(s)</b>  - IT systems effectively support legislative and monitoring work of the ministry. - To better respond to the needs of clients (claims processing) - To better respond to managerial needs (cash flows) - To better respond to policy needs (modelling and simulation)	<b>Indicators</b>  (beyond the ministry level)  - Operational systems  - Trained staff  - Department managers and staff regularly use computers to data entry, retrieval and analysis to support policy making and operational decisions	<b>Means of verification</b>  - Organisational reviews  - TA reports  - Independent evaluation	<b>Assumptions</b>  - High level commitment to reform and funding of public services  - Institutional commitment to implement systems and replace old ways of working  - High commitment of staff  - Effective appropriation by the service (to overcome social constraints)  - Adequate organisational reform  - Simplification of legislative system
<b>Outputs</b>  - Systems specifications  - Procurement schedules  - Implementation proposals  - Staff trained  - Computer system installed and networked	<b>Indicators</b>  (at the ministry's level)  - Existence of reports  - Installed equipment  - IT systems effectively in use	<b>Means of verification</b>  - Project monitoring and evaluation	<b>Assumptions</b>  - No major changes in organisational environment;  - Implementation budget for training and purchase of equipment

<b>Activities</b>	<b>Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Needs analysis;</li> <li>- Systems design</li> <li>- Staff training</li> <li>- Equipment specification, acquisition &amp; installation;</li> <li>- Systems testing</li> <li>- Regular validation after upgrade of hardware and update of software and matching team training</li> </ul>	<ul style="list-style-type: none"> <li>- Technical assistance (plus trainers);</li> <li>- Consulting services;</li> <li>Supporting equipment incl. networked computers, printers and other peripherals</li> <li>Software.</li> </ul>	<p>€ Budget</p>	<ul style="list-style-type: none"> <li>- Adequate time and priority allocated to rational analysis, design, procurement, installation process and basic and periodic training.</li> <li>- Qualified foreign and international consultants</li> <li>- Co-operation from the management</li> <li>- Inadequate ToRs</li> <li>- Correct assessment of what is needed</li> </ul>



### III - Generic Log-frame for Human Resources Development

<b>Wider Objective(s)</b>	<b>Indicators</b>	<b>Means of verification</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Improved training capacity</li> <li>- Improved organisational performance.</li> <li>- Improved performance of selected institutions participating in the training</li> </ul>	<p>(beyond the ministry level)</p> <ul style="list-style-type: none"> <li>- Changes in the organisation</li> <li>- Improved output of staff.</li> <li>- Progress of institutions</li> </ul>	<ul style="list-style-type: none"> <li>- Organisational reviews</li> <li>- Public opinion surveys</li> <li>- Reports/records</li> </ul>	<ul style="list-style-type: none"> <li>- High level commitment to reform and funding of public services;</li> <li>- Commitment to integrate the training in career system</li> <li>- Improvement of remuneration system</li> </ul>
<p><b>Immediate Objective(s)</b></p> <ul style="list-style-type: none"> <li>- Trained staff applying new skills and knowledge</li> <li>- Improved demand-driven training institutions</li> <li>- Concept on social work in training system</li> </ul>	<p>(beyond the ministry level)</p> <ul style="list-style-type: none"> <li>- Improvements in personal and team performance</li> <li>- Type of activities carried out before/after training</li> </ul>	<p><b>Means of verification</b></p> <ul style="list-style-type: none"> <li>- Internal organisational reviews</li> <li>- Interviews</li> <li>- Independent evaluation</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>- Organisational and financial commitment to use new skills and knowledge</li> <li>- Employment environment fosters positive staff attitudes</li> <li>- Implementation budget to use these model and curricula - Effective use of minimum standards</li> </ul>
<p><b>Outputs</b></p> <ul style="list-style-type: none"> <li>- Trained staff of institutions acquiring specified skills and knowledge (trainers' training and trainees)</li> <li>- Study tours or workshops or seminars organised</li> <li>- Curricula</li> <li>- Council for minimum standards</li> </ul>	<p>(at the ministry level)</p> <ul style="list-style-type: none"> <li>- Number of trainers/trainees achieving specified standards</li> <li>- Number of days of training</li> <li>- Quality of proposal</li> <li>- Implementation of proposal</li> <li>- Assessment of skills acquired</li> <li>- Cost efficiency</li> </ul>	<p><b>Means of verification</b></p> <ul style="list-style-type: none"> <li>- Reports (subject matter, final) produced by TA (including self-assessment by participants)</li> <li>- Training reports/records and materials</li> <li>- Selection procedure</li> <li>- Survey of participants and their supervisors</li> <li>- Project monitoring and evaluation</li> <li>- Comparison with ToRs</li> </ul>	<p><b>Assumptions</b></p> <ul style="list-style-type: none"> <li>- Selected staff able to attend training and motivated to learn</li> <li>- Trained people able to get/retain appropriate positions after training</li> <li>- Institutions' directors encourage the managers to apply new skills, techniques and know-how acquired</li> </ul>

<b>Activities</b>	<b>Inputs</b>	<b>Costs</b>	<b>Assumptions</b>
<ul style="list-style-type: none"> <li>- Training needs analysis;</li> <li>- Course design</li> <li>- Production of course materials</li> <li>- Acquisition of support documentation</li> <li>- Acquisition of necessary equipment, software, materials</li> <li>- Training performed</li> <li>- Field visits in other countries</li> </ul>	<ul style="list-style-type: none"> <li>- Technical assistance (plus trainers);</li> <li>- Consulting services (amount spent, number of projects)</li> <li>- Supporting equipment and materials.</li> <li>- Quality (lecturing, programme, handouts)</li> </ul>	<p style="text-align: center;">€ Budget</p>	<ul style="list-style-type: none"> <li>- Institutional commitment to release staff for training.</li> <li>- Inadequate pre-selection</li> <li>- Qualified foreign and international consultants</li> <li>- Co-operation from the management</li> <li>- Inadequate ToRs</li> <li>- Correct assessment of what is needed</li> </ul>

### 3. LITHUANIA

#### 3.1. Programme overview

The Phare programme in Lithuania has put emphasis on human resources development, including education, labour market development & social sector reform, public administration, and civil society development. An overall objective of these programmes was " *to help develop a regulatory and institutional basis for a labour market environment promoting employment and sustainable industrial growth*".

Phare has supported two programmes in Lithuania for labour market and social security reform, first on the 1995 budget (LI-9502) and a second in 1996 (LI-9612). The stated objective of the former was " *to support the on-going development of a feasible and viable social policy framework compatible with overall economic performance and in accordance with the demands of a market economy*" and covered three projects. The objectives of the 1996 programme, with seven separate projects, were:

- *To provide support and an adequate administrative system to the occupational health and safety policy;*
- *To support the development of tripartite structures in relation to the management of labour market & social security systems*
- *To rationalise the social insurance & social welfare finance management systems (organisation, computer systems and staff development).*

The principal beneficiary institutions of Phare interventions in labour market development and social security have been the Ministry of Social Affairs and Labour (MSSL) and the State Social Insurance Fund (SoDra). The ultimate beneficiaries should of course be the population as a whole.

The table below briefly presents a summary of all projects under these two programmes, including key project objectives, outputs and budget. Full details are given in the project fiches in Annex I. It should be noted that the outputs and objectives, as listed in the table, are those assumed at the time of the evaluation and included in the generic logical frameworks that were established for the purpose of this evaluation. They were not necessarily formulated as such in the original project documents, even if these were available.

Programme	Project	Budget	%	Objectives
LI-9502	Advisory support to MSSL	300 000	8.1	Assist MSSL in pre-accession process
LI-9502	Measures to strengthen institutional capacities of MSSL	300 000	8.1	Assist MSSL and strengthen its capacity in pre-accession process and its legislative requirements, employment and social affairs issues
LI-9612	Technical appraisal of worker protection system	50 000	1.3	Appraisal of labour protection systems Assessment of institutional capacities
LI-9612	TA for tender evaluation for social insurance reform and equipment for NLI	50 000	1.3	Evaluate tenders
LI-9612	Support to approximation of legislation regarding Occupational Safety & Health	150 000	4.05	Support pre-accession process by meeting requirements in OSH
LI-9612	Procurement of equipment for Occupational Safety & Health	500 000	13.6	Provide equipment for OSH and NLI to enhance capacity of NLI in enforcement of legislation
LI-9612	Support to institutional development in the National Labour Inspectorate (NLI) in a pre-accession context	240 000	6.5	Strengthen institutional capacity of NLI to support effective implementation of OSH legislation Develop training strategy for NLI
LI-9612	Tripartite development of pilot employment initiatives at local level	300 000	8.1.	Enhance active employment measures Prepare for interaction with EU structural funds
LI-9502	Support to SoDra	1 500 000	40.7	To contribute to provision of quality, cost-effective and accountable social insurance system as part of pre-accession process Improve and reorganise the organisation and administrative systems of SoDra with plan
LI-9612	Support to SoDra	300 000	8.1.	Continuation of above; rationalise social insurance management system and social welfare and finance and management
Total		3 690 000	100	

**SLOVAKIA**

<b>1. Labour market Development</b>	<b>Budget</b>	<b>Percentage</b>	<b>Outputs</b>
1. Labour market policy and legislation development	€ 1,680,000	47,2	Employment policies and legislations defined and refined to support the development of instruments under the new Employment Act and institutional framework for labour market policy
2. Labour market information systems	€ 870,000	25,5	LMIS and Database set up and hardware and software equipment installed
3. Training Staff	€400,000	11,3	Number of staff trained and training courses held
4. Industrial relations	€ 227,000	6,4	Procedures and instruments to strengthen industrial relations established and working
5. PMU	€ 378,259	10,6	Programme planned and managed
<b><u>TOTAL</u></b>	<b><u>€ 3,555,259</u></b>	<b><u>100</u></b>	
<b>2. Social Security</b>			
1. Information system of state benefits:	€ 500,000	10,9	Production of dedicated software to centralise payment of all state benefits with a view to simplifying the service to customers and improving the control on benefits.
2. Decentralisation of social services	€ 643 000	14	NGOs' involvement increased in social service delivery. A management structure will be created to fund innovative projects.
3. Training of social workers	€ 747,000	16,2	A model centre produced for training to improve strategies on an in-service training system of quality close to European standards.
4. Policy and legislation	€ 884,000	19,2	Roles of the government and of social insurance agency determined in order to promote social dialogue including inter-institutional mechanisms and improvements of policy regulations.
5. Information system of National Insurance Company	€ 1,090,000	23,6	Central Client Data Base created to strengthen the SIA management of financial and information flows; Model of social expenditures designed for planning the impact of different scenarios on social legislation.
6. Strategic business plan	€ 510,000	11	Action-oriented business plan developed for the SIA to maximise the operational capacity of the SIA in the fields of cost control, service to clients, contribution compliance and information flows management.
7. PMU	€ 240,000	5,2	Programme planned and managed
<b><u>TOTAL</u></b>	<b><u>€ 4,604,000</u></b>	<b><u>100,1</u></b>	

## 3.2. Programme relevance

As explained in Chapter 2, programme relevance is assessed with respect to three factors: the needs and policies of the country, the appropriateness of design and Phare's comparative advantage in the sector.

### 3.2.1 Relevance of the programmes with respect to national needs and policies

Lithuania's policies and priorities, within the global policy context of accession to the EU, are laid down in the National Programme for the Adoption of the Acquis (NPAA). The following measures are set forth in the NPAA and have been detailed in the "Acquis Implementation Action Plan" of the Ministry (MSSL):

*a) Occupational safety and health (OSH), National Labour Inspectorate (NLI), and Social Insurance Agency (SoDra):*

- Strengthen institutions responsible for drawing up the legal acts on OSH at work
- Harmonise the legal acts
- Expand the institution of the State Labour Inspectorate
- Train the employees of the OSH institutions
- Develop informational technologies for administration of taxes and contributions.

*b) Local Employment Initiatives (LEI):*

- Develop local employment initiatives
- Provide organisational preconditions to develop LEIs in selected regions
- Mobilise human and material resources for initiation and implementation of individual projects.

Taken as a whole, the different interventions under the 1995 and 1996 Phare LM&SS programmes fit the needs and policies of Lithuania, as indicated in the successive National Strategies for Labour, the MSSL Strategic Plan of 1998, as well as the NPAA of 1998. The MSSL perceives the assistance and expertise, which was provided under these Phare programmes, as a means to try to resolve problems which it has identified as overall strategic priorities. They justify the interventions for OSH, NLI and SoDra.

The government has adapted some of the technical assistance under the 1996 programme to help it meet the requirements, which were set out in the 1998 EC Opinion on Accession of Lithuania. The MSSL has tried to avoid duplication of assistance by a realistic assessment of its own resources before seeking specific expertise. With the installation of a new government in 1999, a new Strategy and Action Plan for 1999 has been adopted which will cover all areas and which will be consistent with the requirement of the pre-accession strategy. Two issues are at stake: the proper transposition of EU Acquis into Lithuanian legislation; and a modernised administration to ensure its correct application. This implies effective and efficient administrative structures employing properly trained, equipped and remunerated administrators at local, regional and national levels.

The interventions to approximate legislation and standards fully reflect the priority of the government "to fully harmonise the standards regulating labour conditions and safety with the respective EU 'acquis' provisions." (Medium Term Economic Strategy of Lithuania in the context of its accession to the EU, 1999)

The overall achievement of these macro-policy priorities is also reflected at project level, under four groups of activities related to:

- Transposition of Acquis with projects in Occupational Health & Safety; the National Labour Inspectorate, and Legislation for Social Insurance and policy
- Strengthening institutional capacity and organisational change
- Support to the social insurance fund, SoDRA.
- Active employment policy: Local Employment Initiatives

While Phare interventions were generally relevant to national needs and policies, relevance tends to be more variable at project level.

The MSSL's Strategic Plan of 1998 emphasises the importance of the harmonisation of legislation in social insurance and occupational safety and health with that in the EU. As far as the legislative part is concerned (OSH, NLI and Social Insurance: policies and legislation), there is clear evidence that Phare assistance has matched the expectations of MSSL; policy changes led to changes in legislation in accordance with the *acquis*. Downstream linkages are also evident with the need to train inspectors to achieve employers' compliance with new legislation coupled with the need to change NLI corporate culture from a policing to an advisory role.

However, while both projects, "Adviser to MSSL" and "MSSL capacity strengthening", are relevant *per se* since they correspond to the kind of assistance requested by the government, it is hard to discern the relevance of their outputs. Support for SoDra has focused mainly on management and organisation of its local offices, contrary to other programmes in Lithuania that focused more on pre-accession policies and issues.

Reducing unemployment is a top priority for the government. It has set up a high level committee for this purpose, chaired by the Prime Minister. The unemployment rate has increased from 4.4% in 1993, 5.9 % in 1997 and to 6.4% in 1998.<sup>5</sup> Unemployment in rural areas is a particular priority. It does not relate directly to the objectives of the programme but nevertheless reflects the policy of the Employment Council. In its Strategic Plan of 1998, MSSL emphasises the need for programmes to improve an active policy for labour market reform and employment promotion. This was the rationale behind the Local Employment Initiatives (LEIs), partially financed by Phare. However, only some of these have taken active measures to stimulate employment. The LEIs are regarded as related to regional development and will serve as models for future application of EU structural funds. This aspect of their design is perceived as more relevant than employment creation; but the linkage is weakly substantiated.

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<sup>5</sup> Medium Term Economic Strategy of Lithuania in the context of its accession to the EU, 1999.

### 3.2.2 Appropriateness of design

Overall, the design of the Phare programme was appropriate, even if some aspects must be qualified.

The legislative projects for OSH and Social Insurance policy were designed in alignment with the 'acquis'. The long consultative process between Government, the Tripartite Commission on OSH, and other partners such as the employers and trade unions, with the help of EU experts, was lengthy. Translation of documents was also time-consuming. This lengthy process was necessary to ensure that both the Lithuanian assessment of the needs to be covered was met, as well as that the technical outputs, e.g. draft legislation were in a form that met EU procedural requirements. This was achieved despite the reservations which employers had concerning the scope of the proposals, since they did not fully appreciate the legislative requirements of the EU.

There were gaps in the design that constrained its effectiveness. It would have been more appropriate to select a core team rather than a single person to fill in such a position. The expert was practically on her own and cast into the middle of restructuring and reorganisation of the ministry. The project started at the time of political and organisational changes at MSSL during national preparations for a General Election, resulting in reluctance of staff to address issues identified by the adviser. The expert was more concerned with the practical arrangements rather than giving policy and conceptual advice.

The project for SoDra was designed to meet the need for organisational change of SoDra and MSSL. Nevertheless, the scale of changes and skills transfer raised questions concerning their sustainability. The latter will be influenced by the financial resources available to SoDRA to continue to support the necessary institutional changes. In turn, the income of SoDRA is dependent on an increase in its collections. However, at the time of evaluation, the planned legal changes to allow this to happen had not been approved. As a result, collections have not matched the level of payments, which SoDRA has covered through loans. Secondly, sustaining the changes that have been introduced will require the necessary management leadership and drive to ensure that this takes place. While SoDRA considers that it has the management capacity to implement the human resource changes that have been introduced, senior personnel changes at the time of evaluation might have a constraining effect in this respect.

The project for LEIs was designed by the Framework contractor. It was meant to cover both active employment measures and serve as a model for future support under EU Structural Funds. Its design in relation to employment policy measures was not well-formulated and diffuse, as reflected in the actual outputs achieved.

The design of the projects reflects not just the inputs from the relevant EU experts. Some of the potential beneficiaries and stakeholders were involved as well, for example in working groups and teams, in designing a project. Therefore, the approach to the use of technical assistance in project design has been one based on consensus between all parties as to the final needs, objectives and results.. This was particularly true of the range of small projects funded under the 1996 budget as they were based on a demand driven premise. However, the projects that will be funded on the 1998 and 1999 budgets are



more aligned to the requirement of the accession process rather than driven by demand. In this respect, MSSL perceives its role as more focused on preparation of project proposals for an overall programme with a budget of € 2 million, which it will then manage. However, its problem is that of capacity to design the various projects

### **3.2.3. Comparative advantages of Phare**

The EU experts brought a comparative perspective with EU countries on the different norms and standards. They were related to those particular activities, which had been supported under the Phare programme. It could be said that without EU experts and their knowledge of the demands of EU norms, the quality of the legislation might be such that discrepancies with EU law would occur and which might cause problems in accession negotiations.

Various Phare inputs, such as technical assistance and training, gave an impetus to changes already initiated. Such interventions quickened the pace of change but this varied between beneficiary institutions.

Phare inputs were complementary to other donors. However, their value rests on the capacity of MSSL to co-ordinate and to make effective use of different inputs without duplication. The Unit in the MSSL that is responsible for this programme, appears to have that awareness and capability. However, the actual capacity to deal with all EU-related matters is stretched in terms of the staff numbers for the unit. There are other direct relations between the MSSL and other countries, especially with Denmark and Sweden, which are the basis for twinning in order to give more sustainable links.

MSSL appears to be more concerned to achieve investment rather than TA and skills transfer, which has been the main Phare contribution so far. Hence World Bank financing might be more preferred by the MSSL for future activities. The value of Phare inputs may diminish if competing agencies offer services that are more aligned to the priorities of MSSL.

Concerning the legislative outputs specific to occupational health and safety, the National Labour Inspectorate and Social Insurance Policy, the Phare TA and training inputs were particularly valuable. It enabled a better understanding and full appreciation of the requirements of the Acquis, EU norms and other issues. Phare expertise tended to accelerate the overall, legislative process, which is lengthy by nature due to multi-partner cross-checking. While this process would have started irrespective of Phare support, the consensus view was it was doubtful if the present stage in the legislative process would have been reached at this time. In brief, the project would have fallen short of government targets set for the accession process. Without EU experts, legislation would have been of lower quality and at variance with EU laws and which would have caused problems in accession negotiations. The MSSL benefited from new ideas and getting acquainted with different legislation from the comparative experience of EU experts. This form of support is not available from other donors, except on a twinning basis.

### 3.3. PROJECT LEVEL EVALUATION

#### 3.3.1. Rationale for the evaluation of projects

Each of the projects listed below was evaluated in accordance with the criteria and methodology described in chapter 2. As explained before, this evaluation is done on the basis of an ex-post generic logical framework, which is not necessarily consistent with the outputs, objectives and indicators stated in the original project design and financing proposals. In cases where the objectives and outputs originally formulated in the project design correspond to the generic indicators as developed by the consultants, they have been incorporated in the project level evaluation.

#### Projects evaluated

1. *Strengthening capacity: Adviser to the Ministry of Social Security and Labour*
2. *Measures to strengthen the capacity of the Ministry of Social Security and Labour*
3. *Strengthening capacity: Technical appraisal of the worker protection system*
4. *Support to approximation of Legislation in Occupational Safety and Health*
5. *Institutional development of National Labour Inspectorate in a pre-accession context*
6. *Tripartite development of Pilot employment Initiatives at local level ( 9 projects)*
  - Development Programme of Tourism in Alytus town and Region
  - Preparation of the Alytus Business Incubator Project
  - Equipment of employment promotion job classrooms for the Disabled in Marijampole
  - Establishment of classrooms for occupational activities of teenagers in Marijampole
  - The Development of Druskininkai Tourism
  - Creation of the Druskininkai Labour Market Training Centre
  - Training of Woodcutters at the Varena Agricultural School
  - Development of Social Services at Home in Varena Municipality
  - Development of Rural Tourism Infrastructure in the Dzukija National Park
7. *EU Accession-related support to social insurance reform in Lithuania*
8. *Social Insurance Support to SoDra*

A standardised format was used for reporting. A project evaluation fiche was designed based on the criteria for evaluation. From each project evaluation, a number of general conclusions were drawn in relation to the relevance, effectiveness, efficiency, impact and sustainability for the projects as a whole. These conclusions relate, in turn, to an assessment of these generic issues, which concern the whole programme. Verification relied upon interviews of main players, intensive checking carried out between inputs such as reports analyses, field visits, interviews of contractors and stakeholders, equipment delivered and outputs (quantity, quality) in comparison to project duration.

The results of these project evaluations are summarised in individual fiches Annex I. An overall summary is given in this chapter against the main evaluation criteria. Each project was scored against these criteria in Table 1.

Table 1 Ratings for LITHUANIA Analysis of the Evaluation Score by main components Rating: 5 Excellent; 4: Good; 3: Average; 2: Below average; 1: Poor.	Contribution to Programme level				Project level				
	Needs and policies	Appropriateness of design	Value added of Phare	Mean score	Efficiency	Effectiveness	Impact	Sustainability	Mean score
Advisory MSSL ( 300,000)	3	1	1	1,7	1	1	1	1	1,0
Strengthening Capacity MSSL. ( 300,000)	4	3	3	3,3	3	3	3	3	3,0
Workers Protection ( 50,000)	4	1	2	2,3	3	4	3	2	3,0
OSH ( 150,000)	5	4	5	4,7	5	5	5	5	5,0
NLI ( 240,000)	3	3	4	3,3	4	4	3	3	3,5
LEIs ( 300,000)	3	3	3	3,0	3	3	2,9	3,0	3,0
´ - Tourism Alytus							4	3	
´ - Business Incubator Alytus							3	4	
´ - Disabled Mariampolė							2	2	
´ - Teenagers Mariampolė							2	2	
´ - Tourism Druskininkai							4	3	
´ - Labour market training Druskininkai							4	4	
´ - Woodcutters Varena							4	4	
´ - Social Services Varena							2	3	
´ - National Park Dzukija							1	2	
Social Insurance Policy/Legislation ( 1,200,000)	4	3	4	3,7	3	3	4	4	3,5
Sodra ( 300,000)	4	4	5	4,3	5	5	4	4	4,5
<b>Mean Score</b>	<b>3,8</b>	<b>2,8</b>	<b>3,4</b>	<b>3,3</b>	<b>3,4</b>	<b>3,5</b>	<b>3,2</b>	<b>3,1</b>	<b>3,3</b>

### 3.3. 2. Relevance

As a whole, Phare interventions were generally relevant to national needs and policies, although they varied in the extent of relevance according to project.

**Legislative projects relating to pre-accession policy** were fully relevant to the pre-accession process and meeting the 'acquis'. Approximation of legislation is a priority for Government.

**Strengthening institutional capacity and organisational change is part of the 'acquis.'** It is hard to discern coherent relevance from the varied inputs to the strengthening of the MSSL. Inputs made to reinforce institutional change and enhanced management capabilities were relevant to the needs of SoDra. However, the impetus for change is organisational reform and is not pre-accession driven.

**Interventions to promote an active employment policy through the LEIs claim to** relate to regional development and to serve as models for future projects for support from EU structural funds. The nine projects evaluated were more relevant as future recipients of EU structural funds than as employment creation schemes. On the other hand, where there was a clear linkage to employment, then the projects did demonstrate definite potential to promote future employment, either through training or strengthened institutional capacity with IT equipment and staff development. Those initiatives that were concerned with tourism, business development or retraining of labour for service industries were in line with regional development policy.

### 3.3.3 Effectiveness

Generally, the individual projects that make up the programme LI-9612 overall can be regarded as contributing towards the European integration process and the priorities of Government in this respect. Most project **outputs** overall matched programme objectives set out in the log frame and are detailed in each project fiche.

**In terms of OSH and Social Insurance Policy**, EU experts advised the MSSL and national experts on the harmonisation of national legal acts on safety and health at work with 17 separate EU Directives, which led to two acts being adopted for labour protection and the National Labour Inspectorate. EU experts advised the MSSL on 14 draft pieces of social insurance legislation, including an accident insurance law. Five have currently been accepted by the Seimas. An OSH Information Centre was set up, equipped and personnel trained to manage such centres.

Capacity of the NLI to implement the legislation has been strengthened through training, technical advice and provision of IT equipment for both the national and 10 regional offices. The latter was not be fully operational until end 1999 since supplies arrived only in September 1999 because of delays in tender procedures.

In relation to **the effectiveness of the outputs to assist SoDra**, a strategic plan for reorganisation of local offices was formulated and implemented. New procedures and systems are now in use, supported by skills transfer to middle and senior level staff in local offices and the national office, as well as some IT equipment.

Nine pilot **local employment initiatives** in 4 districts were set up and implemented. The capacity of 4 LEEOs to select and supervise such projects was enhanced, which will be a useful base for future work in relation to submitting projects for EU structural funds. Direct employment resulted for 12 trained personnel and indirectly for another 200. A Labour Market Training Centre was developed and provided with resources to offer training in basic skills for employment.

#### **3.3.4. Efficiency**

A feature of the Phare programme in labour market and social security in Lithuania is the number of relatively small projects. Many are funded under Framework arrangements. Some are implemented by the lead company in the Framework consortia for social development. There is not an apparent coherence in the spread of the different projects. There was no log-frame to show the linkage of the different projects. Horizontal analysis of the components revealed the inner linkages. It was the basis for a structure and a log-frame, which were made for the purpose of this evaluation. The EU Unit in the MSSL is now efficient in trying to bring the different elements together, in order to facilitate more coherence. In that respect, the good co-operation that is visible with the EU Delegation is noted. Lack of visible coherence between its multiple components of the programme made monitoring by the Delegation difficult and which, also, has practical constraints of staffing.

#### **3.3.5. Impact**

Approximation of **occupational health and safety legislation** to the norms of the 'acquis communautaire', as well as the alignment of social insurance policy and legislation to reflect the EU norms, has been facilitated by the respective projects under the 1996 Phare Programme. There is a synergy with the project to strengthen the National Labour Inspectorate and its role as an independent body to ensure compliance with the legislation. If Government has adopted the legal acts, then they have the force of legislation, which has to be accepted by concerned parties. Enforcement will be then be according to the due processes. Social insurance acts and the changes they embody will depend on their long-term impact on employers and employees accepting the changes.

The impact of the OSH legislation will also rest on the degree of compliance and, in turn, the capacity of labour inspectors to enforce the legislation. A constraint is the shortage of inspectors. The Phare project for the NLI has trained inspectors to undertake an advisory role rather than a policing role in accordance with NLI policy. Equipment provided should enhance the collection and collation of data to support that role. However, full impact of these changes will depend on employers recognising their legal obligations. It is moot whether the economic incentives scheme that the NLI has designed will stimulate a higher rate of obligations being fulfilled. There are doubts as to the strength of the NLI to enforce the legislation until the long-term impact of the training its inspectors have received and co-ordination possible from new IT systems can be fully assessed. The point made by the EC in 1998 is still valid: "the transposition of the health and safety directives needs to be accompanied by a strong supervising authority with sufficient resources to

ensure practical implementation of the legislation." (Enlargement: EC Report on Lithuania, 1998)

Phare support to **SoDra** has had a significant impact as a catalyst for the efficient reorganisation of the 52 Local Offices oriented to the treatment of information and focused on client attention. Reorganisation and strengthening of the social insurance system in terms of improving its collection of contributions and the payment of benefits is moving the system more towards EU standards. However, the impact of the organisational and procedural changes on the functioning of local offices will be long-term. It is claimed that collection rates have risen by 28 per cent but it is difficult to posit a direct correlation with the organisational changes. There has been in late 1999 a decrease in that rate. This is because of a set of factors relating to the national economic situation and the fact that SoDra has not been able to collect from certain groups, on which it projected its budget, as the necessary legislation has not been passed. Some of the organisational changes were already in the pipeline in some office and, also, reflect long-standing links many municipalities have with Denmark, Sweden and Germany and with which the local SoDra offices have also been involved.

Some changes are visible in the local SoDra offices, which have created a more congenial environment for clients and staff. The extent of the changes varies between offices. These changes can facilitate improved operational efficiency at all levels. Training and technical assistance inputs were oriented towards the main tasks of SoDra -pensions, field inspection, collections, IT systems- together with an extensive increase in the installation and use of IT to serve its new organisational focus. Training of staff and on-the-spot advisory work by EU experts assisted staff to see their roles in a more customer-oriented manner, as well as multi-functional, with periodic rotation of staff built into the management of the offices. EU experts contributed to the introduction and the reinforcement of the organisational changes, as well as stimulating the attitudinal reorientation also required if the changes are to be individually internalised. Their approach had been inductive and through work-groups which led to a greater level of acceptance of the required changes. This was apparent from the organisational restructuring at one divisional office visited by the team. However, the impact of these changes and such improvements in efficiency are difficult to measure, as they're no systems for self-evaluation or objective measurement of performance in place. To reinforce the impact and maintain the improvements requires the introduction of such systems at all levels of the organisation.

Surveys undertaken by the PMU claim an improved public image for SoDra. Perhaps, this reflects the changes introduced under the project. However, other factors need to be considered, notably the long-standing public perception of SoDra, which has not been positive. Those same surveys reveal the degree of public concern, especially on pensions, as to the functioning of SoDra and the need for improvement in the delivery of its services. Such concerns were a main stimulus to the organisational changes implemented over the past 2-3 years.

The overall impact of the **LEIs** in terms of reducing unemployment or job creation is weak. If these LEIs are seen as a model for job creation, this is not evident except in the two examples cited in para.5.4.7. and the plan for a business incubation centre in Alytus to encourage self-employment. Yet the LEIs were perceived by the PMU as projects to train management staff and local partners at preparing ESF projects for future funding in the context of pre-accession. Their impact in that respect is questionable as shown in the individual project fiches.

Only 2 of the 9 projects can be regarded as directly linked to employment. These are the project to train 12 woodcutters linked to the forest resource base of the local economy in Varena and training 200 people for the hospitality and tourism industry in Druskininkai. Another 4 have initiated plans or strategies, for example, for tourism, or in the case of Alytus to set up a business incubation centre which it is hoped will generate future employment. Three are concerned with social welfare support, for example, helping disabled children attend a day centre or disadvantaged children attend vocational school. If there is an employment link it is that carers are released and can find employment. But this is a marginal contribution to active employment. This is not to minimise the social benefits to the beneficiaries from the disadvantaged groups.

It is difficult to perceive how far the LEIs can be models for employment in other areas of Lithuania when there is no coherence to the range of projects initiated, especially with those projects oriented to social support. Replication depends on a homogeneity of pattern in activities and outputs. Only one (the business incubation centre) is linked to a key sector for the future - SMEs. Plans for tourism in the four centres have a long-term aim to develop recreational tourism and agro-tourism, and generate employment possibilities, especially in rural farms. The impact in the latter could be marked on women who will be involved in the provision of accommodation and services and who could have an alternative form of income generated as a result.

A tri-partite social dialogue in the selection and formulation of these projects is not evident. This reflects the inability of the trade unions to agree on representation and level of involvement. It also reflects an institutional constraint that is seen in other sectors, which is the difficulty of different organisations and institutions to co-operate. It would appear that some employers have been involved but a tripartite dialogue does not appear to have informed the local employment initiatives. This was an essence of the design of the programme. Where it has been lacking, the impact of the local initiatives has been diluted.

### **3.3.6. Sustainability**

Assistance given MSSL in respect of occupational health and safety and social insurance can only be assessed in terms of its implementation and the levels of compliance. Since the Government introduced the legislation, once it becomes statutory it can be assumed that it will have a long-term impact. Similarly, with the introduction of new social insurance policies and legislation which has been assisted by Phare interventions. The acts will be part of national legislation and will continue until the Government would wish to amend them. They are necessary to meet the requirements of the 'acquis'. It is reasonable to assume that the outputs will be sustained.

How far the changes introduced into the NLI will be sustained is hard to assess. Essentially, they have not yet been tested. The extent of their success will be reflected in the compliance rates with the legislation on the part of employers and employees, which rests upon how efficiently it is enforced by the National Labour Inspectorate.

Sustaining the benefits of organisational changes at SoDra will depend on the capacity and willingness of senior staff to continue the management of change. Skills transfer depends on staff using and upgrading their skills. Organisational change also depends on leadership and key personnel as drivers of change. However, in late September, the

Director and senior human resources officer resigned. It is too early to gauge the effect on the changes introduced. Another factor is the level of its income, which mainly depends on increased collection rates. The number of employees, which is the basis for contributions, is decreasing, reflecting the national economic situation. As a result, the amount of payments to SoDra has fallen. While SoDra has a revenue source from its operations, it also has debt problems. At the beginning of September 1999, SoDra had a budget deficit of Litas 320 million (US\$ 80 million) and projected to be about Litas 350 million (US \$ 88 million) by the end of 1999.( Baltic News Service 16.9..99). The Seimas did not pass legislation, which could have led to contributions from groups that had not been eligible to pay. This overall financial situation has created a problem for the level of income of SoDra and its payment of social benefits to the beneficiary groups.

Sustaining the benefits from the introduction of IT systems necessitates that there is an adequate system of maintenance and upgrading to ensure maximum efficiency. A new Phare project should start in 2000 to establish a monitoring unit to oversee the development of an Integrated Information Technology System in SoDra. The latter will undertake this as part of its programme to strengthen its institutional capacity to implement social security legislation and administer social insurance.

Sustainability of the **Local Employment Initiatives** will depend on sufficient local resources being available to increase the scope of such activities. They have been catalysed by resources provided under the Phare project but they are usually dependent on municipal funding for continuation. This would appear to be forthcoming in the short-term.

While the LEI projects claim to serve as models for replication at national level and for training management staff and local partners at preparing ESF projects for future funding in the context of pre-accession, it is questionable if they will be replicable. Replication requires a basic cohesive pattern, not a mixed one such as the LEIs producing diffuse outcomes at an early stage. Mobilising local partners to design good projects was difficult. Selection criteria were not effective regarding employment orientation. The most promising projects regarding employment largely depend on external economic prospects (tourist development, SMEs and municipal financing). All these aspects raise questions as to the sustainability of the nine projects as well as any future models that MSSL set up in other regions.



## 4. SLOVAKIA

### 4.1. Programme overview

The Slovak Government has made labour market and social policy one of its priorities for transition. Under the guiding principles of *demonopolisation, democratisation and decentralisation*, the Government sought to replace previous state dominance by a tripartite structure and to adjust State labour services to the requirements of an open market economy. Two programmes were developed: the labour market development programme and the social sector programme, which are briefly described first.

#### 4.1.1 The Labour market Development Programme

Phare has assisted labour market reform since early 1992 through the CZ-9108 Programme (€ 6 million).<sup>7</sup> In July, the Financial Memorandum for follow-up assistance under SR-9408 was signed with the wider objective “*To assist the Ministry in the development and refinement of employment policies and legislation*”. Its immediate objectives (FM) are:

- *To support the development of concepts, instruments, decrees, and rules under the new Employment Act with specific emphasis on problem regions and vulnerable groups*
- *To support the further development of the institutional framework of the labour market policy*”

The principal beneficiary institutions are the MoLSAF, the NLO (after a merger of the ESA and the EF since Jan. 1997). Ultimately, the benefits should reach the population as a whole.

#### 4.1.2 The Social Security Programme

Phare interventions for social protection started with the **GTAF General technical assistance facility** in 1992. GTAF I, II, III produced, among other things, specific studies on social assistance, data processing and actuarial valuation.

A more comprehensive program (SR 9305) on social security was elaborated with the following wider objective:

*To continue initial support to the social security sector by providing the technical and financial inputs for the review and revision of the policy and legislative framework, for*

*the support of more effective operations of the district benefit offices, and for the establishment of a professional work force in the field of social care.*

The programme started with some delay around 1995. Some amendments had to be made due to the evolution of the National Insurance system (creation of the Social Insurance Agency, separation of the health insurance). Hence, a specific programme was elaborated on Social Insurance Reform (SR9407) with a wider objective "*to facilitate the economic and social reform process by establishing an effective and efficient social insurance system compatible with the macro-economic policy*".

The activities on social protection were pursued separately with a new program (SR 9518) with the more specific objective: *To approximate EU standards and to decentralise and rationalise the social welfare system while containing costs and improving services.*

In summary, the first programme (SR 9305) was pursued and adapted but divided into two programmes (SR-9407 and SR-9518). Rather than analysing each broad programme, they have been divided in six components, which were often undertaken through two programmes.

<b><u>The Social Sector</u></b>	
<b><u>Subject area:</u></b>	<b><u>Budget:</u></b>
<b><u>Phare code:</u></b>	
1 Information system of state benefits	€ 465 300
2 Decentralisation of social services (9305+9518 02)	€ 1,056,700
3 Training of social workers (9305+9518 03)	€ 950,000
4 Policy and legislation (9305+9407 01)	€ 668,000
5 Information system of National Insurance (9305+9407 02)	€ 1,022,000
6 Strategic business plan	€ 544,800
<b>Total:</b>	<b>€ 4,706,800</b>

## **4.2. Overall programme relevance**

### **4.2.1. Relevance to national needs and policies**

The programmes in labour market and social security reform were in essence demand-driven and not oriented to pre-accession, reflecting government policies at the time of their design. Changes towards an accession-driven approach are reflected in the NPAA and the 1999 Financial Memorandum, however.

As a whole, both Phare programmes fit the needs and policies of MoLSAF. It perceived the assistance and expertise provided as a means to try to resolve problems, which it has identified as overall strategic priorities to its own plans for labour markets and social security. Although both programmes were in essence demand-driven, some projects appear to have had pre-accession elements especially those related to pro-active policies, training and retraining. Fields of intervention of these projects were even much broader than the demands for the pre-accession process. They reflect much more the global priorities of the government, which was concerned to improve social services and to adapt its social protection system. These objectives were very ambitious compared with the size of the programmes, which could be considered only as a complementary support.

The 1994 programme was designed against the background of a severe unemployment crisis. This was a top priority. The Labour Market Development Programme (LMDP) appears to be well structured to tackle the unemployment problem from at least two angles:

- Indirectly, through a set of inter-related projects pointing to a rough mix of institution building and strengthening (MoLSAF, NLO, TPC, RILSAF, the statistical Office and their relationships; the creation of training institutions and centres of excellence); and
- via direct support through the Pro-Active Labour Market Intervention Fund (Palmif) to vulnerable regions (in predominantly agricultural regions along the border with Ukraine, Southeast of Poland and Eastern Hungary and groups of population (the least skilled workers, such as those who are without experience and elementary, or craft and service workers) along with a set of helpful analyses for design, implementation and evaluation relative to this project.

The emphasis on high-level technical support through technical assistance and elaboration of software was relevant with the gap in this field between EU and Slovakia. However, the needs for more basic operating means (public budget, staff) were still so important that it was not always possible to make full use of this level of technical support. Social workers and civil servant often lack the basic means to properly use their qualifications. The size of the Phare programme, as well as the type inputs, often increased this frustration.

**Support to information systems** was based on strong demand of the administration. There is of course an important technology gap in this field. However, it is a fundamental error to think that computerisation is the answer to all administrative problems. Introducing computers is not always a way to stimulate reforms. Developing complex models is often a long-term investment.

A more targeted strategy will certainly be more appropriate with a limited amount of support. Nevertheless, to concentrate on the “acquis” will fit only very partially the needs of the new government. Regular payment of pensions and of certain social benefits remains a top priority of public authorities in charge of social cohesion.

Government eagerly solicited Phare support as evidenced by MoLSAF’s successive proposals for Phare funding for 1997, 1998 and 1999. The position of the EC and the Office of Government was not supportive of these proposals but envisaged the Ministry’s participation in the Preparatory Programme for the administration of EU Structural Funds. The EU Delegation stated that the MoLSAF was already in a position to adopt the Acquis communautaire and only required minor adjustments to its legislation, policies and capacity to enable it to implement EU policies and programmes.

These points are illustrated by some excerpts from the EC Opinion on Slovakia.

The Ministry of Labour, Social Affairs and Family improved its structure by integrating the European integration and approximation department and the Phare/foreign assistance department into one single section. An *equal opportunities* department was set up in the Ministry of Labour, Social Affairs and Family on 1 February 1999 to monitor the implementation of the principle of equal opportunity for men and women. *The institutions involved in the implementation of the acquis, in particular in the field of occupational health and safety, need streamlining and strengthening.*

...“An overall *training system* has not been developed yet, even though several conceptual documents exist. European integration training is still provided on a fragmented and *ad hoc* basis. These issues need to be urgently tackled in adopting comprehensive *legislation* which goes far beyond a mere labour law approach. A positive signal was, however, the adoption of a strategy for the reform of the public administration and decentralisation. This needs to be translated into specific actions with a binding timetable. It constitutes a serious effort to develop a comprehensive approach to reform, aimed at rationalising the public administration and refers to decentralisation of powers (also in financial terms), from the state administration bodies to local and – yet to be created - higher self-government territorial units.”  
... “*Social Dialogue* has substantially improved *A tripartite* act on economic and social partnership entered into force in June 1999. The law institutionalises the dialogue between government, trade unions and employers.”...

...“In the field of *social protection* stricter criteria have been introduced for the assessment of material need and reasons for unemployment, the amount of unemployment benefits, the length of the period for the provision and maximum amount of unemployment benefits. The level of social assistance and sickness insurance benefit has been reduced. There are ongoing efforts to achieve better targeting. There remains a pressing need to bring forward reforms in the financially very unstable health insurance system. The pension system also needs to be made more sustainable.”

(Source: Regular report on the Opinions about Slovakia, October 1999)

#### 4.2.2. Appropriateness of design

Most beneficiaries and stakeholders have been involved in the design of the individual projects. Such a condition is not easy to respect in the elaboration of a broad programme. The choice of partners has to be limited and new experts appear to be essential even if they were not involved at the beginning. The co-ordination between Ministries is not easy. Some departments complain of not being associated in the design of programmes, which later request their support.

The Social Security programme was not clearly designed and had to be adapted because of change. These experiences were very useful in the preparation of the subsequent Social Protection and social Insurance programmes. Hence, these two new programmes were prepared more carefully. The sophistication of the design of some programmes demands an important mobilisation of time and human resources.

Insufficient time at the design stage was allocated to implement these three social sector programmes and, to a lesser extent, the LMDP. The launching of most projects requested much more time than was foreseen. Implementation was reduced to a too short time to enable monitoring of the activities with maximum benefits. A lot of attention was given to building software, elaborate concepts and discuss strategies, but the means and time to implement them was not sufficiently planned. This implementation period is essential to make the necessary adaptations. Dependence on other projects and public funds for introduction of software in the administration is risky. If those funds are not available in time, the material will become obsolete. Many interventions might remain empty shells.

Administrative reforms are more often prerequisites to the satisfactory development of a new information system. An information system is not neutral but often a main issue of power between different services and a way to strengthen bargaining positions.

The design of programmes should take more account of available local skills. In the fields of social sector, past experiences should not be considered as outdated. Many qualifications are not fully used because of lack of operating funds and equipment. Rather than being “needs driven” or “acquis driven”, projects should also be more “local resources driven”. There is a wealth of unused local resources (skills, credit schemes, equipment, materials, etc.) which just require a good idea and some imagination to be mobilised in the interest of communities.

According to usual Phare procedures, the design of a project and its implementation are done by different sub-contractors. Important modifications have to be made in the inception reports. The design should stress less ambitious but more precise objectives. On the other hand, to facilitate the process, design should be more flexible timing and organisation. The structure should be made as simple as possible. Sharing work between too many partners should be avoided.

#### **4.2.3. Comparative advantage of Phare**

Phare TA generally provided a motivating force to speed up delivery of outputs and improve both their quality and effectiveness in respect of the beneficiaries. EU experts provided an impetus to the development of a particular activity, for example, drafting of legislation, reorganisation of the Social Insurance Agency, or Palmif project to tackle rural unemployment and low qualifications.

EU experts brought a comparative perspective with EU countries on the different norms and standards. Various Phare inputs, such as technical assistance and training, gave an impetus to changes already initiated. Such interventions quickened the pace of change but this varied between beneficiary institutions.

Phare inputs were complementary to other donors. However, their value rests on the capacity of MoLSAF to co-ordinate and make most effective use of different inputs without duplication. The Unit in the MoLSAF that is responsible appears to have that awareness and capability. However, the actual capacity to deal with all EU related matters is stretched in terms of the staff numbers for the unit. MoLSAF appears to be concerned both to achieve investment and skills transfer, which has been the main Phare contribution so far. However, EC assistance is still required. It has an advantage over other institutions as regards labour safety at work and OSH- and NLI-related issues on which MoLSAF is now focussing, within the context of the overall NPAA.

<b>Table 2 : Relevance for SLOVAKIA</b>	<b>Labour Market Development</b>			<b>Social Sector</b>			
	Labour market policy and legislation	Labour market information system	Staff training	Industrial relations	Social Security	Social Protection	Social Insurance
<b>Relevance to needs/policies</b>	Correspondence ensured at local level but no longer at national level except for self-employment projects	Fits perfectly into government strategy	Corresponds to the needs via the creation of a training system for public servants solicited through the 1999 NPAA	Closely linked with the work of the social partners in the TPC	Policy changes led to needs for changes in legislation	Adapted to the acquis	Priority given to improve collection in accordance with the needs for sustainability
	Unemployment: a government priority now but Palmif projects too scattered to exert massive effect	Adapted to the acquis; Synergy with main players and users improved	Relevant in all its aspects to the government's needs	Urgent need to learn how to conduct social dialogue and industrial relations (lack of experience of social partners)	A very broad approach	Relevant to the reform of social benefits but which not yet fully implemented - Small size in proportion of needs in that field	Concern as to payment of benefits to fit with population needs and confidence
<b>Appropriateness of design</b>	Social partners consulted in design	Phare and local experts work with MoLSAF and NLO in design of LMIS system	Well-organised package of training linked to electronic equipment	No explicit reference of the 9519 project about 9408's outcomes	Difficult to find cohesion between many different activities	Consultative process Experts worked with MoLSAF	Adapted to the structural change
	Tripartite local partners involved in local projects' design	Clear cohesion in design although local resources not fully involved	Good mix of Phare and local expertise	Social partners consulted in design	Problem of visibility and dissemination in the conception of the programme	Long preparation period	No clear Co-ordination body to improve synergy between technical assistance

	Pilot mechanism to address unemployment via income-generating activities and training in order to stimulate activities	Tripartite LSCs and ATF help design Palmif projects	Staff training			Lack of time and means for full implementation	
<b>Value added of Phare</b>	Would have started it but Phare assistance help quicken the preparation and writing of reports	Speed up implementation	Transfer of know-how, exchange of experience	EU experts and PMU/PIU staff perform well a difficult project. Their key success is to have been able to make Social Partners aware of their mutual common interests to negotiate	Reforms would have started irrespective of Phare support but doubt if reach this stage at this time.	EU expertise enabled better understanding and full appreciation of the requirements of the acquis, EU norms and other issues	Would have attempted changes but EU support accelerated pace of change and gave inputs essential to achieve it
	Fully-fledged experts brought new ideas and eased skills transfer in the preparation, implementation and evaluation of Palmif projects	Would have started it irrespective of Phare resources but doubt if reach this stage of equipment and development at this time	Phare advisers praised for skills transfer - No financing without Phare	Platform for a more fruitful social dialogue established par Phare experts as exemplified by the Act of Tripartism for which the project may have indirectly contributed	Gained new ideas	Quality of inputs articulated concept on training and decentralisation in a form that made changes more acceptable to all the stakeholders internally and externally	Financial constraints would have delayed achievement and which mitigated by Phare assistance
	Recommendations formulated by EU experts were taken care by the main players: MoLSAF, NLO, RILSAF and local institutions		Phare indirectly contributed to increase national capacity of MoLSAF and NLO through trainers' training and cascading staff training.		Acquainted with different legislation from comparative experience of experts	Enhanced capacity for more independent role of NGOs	Introduced ideas that improved customer service, collection rates and payment systems

### **4.3. Project Level Evaluation**

The evaluation results for each project are summarised in individual fiches that can be found in annex (11 fiches in Annex II-A for the Labour Market Development Programme and 6 fiches in Annex II-B for the Social Sector Programme). The programme implementation unit (PIU) is listed in the former programme as a project in itself since it contributed to some extent, and still does so, to the strengthening of the MoLSAF. The management issues and the linkages with the framework contractor, the (foreign and local) sub-contractors are discussed in a separate section. This section presents an overall summary, following the main evaluation criteria explained in Chapter 2. Each project was scored against these criteria, as shown in the table below.

#### **4.3.1 The Labour Market Development Programme**

Overall, all the projects performed well on average, the relatively least successful project being the Industrial Relations and Social Dialogue. The programme appears to be also well structured. All components pointed to a mix of institutional strengthening and capacity building through training and equipment, information technology, and direct support to job seekers and vulnerable groups, the former being an asset for the latter two. The unemployment issue is well ingrained in all programme components.

##### Effectiveness

Staff training produced concrete achievements in line with its main specific objective of developing training programmes in the training centres for the MoLSAF and the NLO staff (along with complementary hardware and software equipment). The NLO used effectively some of the recommendations in its efforts to overcome long-run unemployment via a better design, implementation and evaluation procedures of ALMPs and ALMIs addressed to vulnerable groups.

The Industrial relations project's main achievements were:

- Dialogue established which was fruitful between social partners
- Training effective in showing how communicating and negotiating on matters on Social Partners' common interest can be fruitful
- Fair combination of consultations, seminars and study visits without being able to determine the effectiveness of skills transfer for further regional action in the participants' respective fields
- Project paved the way towards the new act on Tripartism (which concerns economic and social partnership at national level), adopted by the Parliament in 2<sup>nd</sup> Quarter 1999.
- Equally foreseen: enforcement and institutionalisation of Tripartism at the regional and local levels (2000).

##### Efficiency

Staff training was cost-efficient as regards (managerial and client-oriented) skills acquired, and transfer of knowledge from EU experts. The new team of 12 trainers and



the management of the training system of the NLO are now fully qualified and able to transfer their know-how and knowledge to concerned staff members.

Two other projects were equally successful, although to a lesser extent: Development of active measures and Labour Management Information Systems. Their plusses and minuses are briefly presented below.

Both performed well in the following aspects:

- High quality of studies and reports produced (although it was hard to determine the effective use of some of them).
- The new Employment Law approved by Parliament effective 1-1-97, provided seven active policy measures to mitigate the effects of the restructuring of the economy. The Law consolidates the results of the Phare-produced labour market policy earlier analyses and reviews into enabling legislation. For instance, there is a package of 7 legislative, 7 organisational and 5 operational changes to address the long-term employment issue.

The PIU is mentioned here apart from management issues, because:

- Its staff assisted by Phare experts offered accession-driven expertise to the MoLSAF and other ministries
- It becomes the expert on the use and application of structural funds after training and twinning in Scotland and other EU member States
- It contributed to improve and strengthen ATFs' roles and responsibilities, and the relationships between the MoLSAF, the NLO, the Ministry of Education, the Social Insurance Agency and their Social Partners
- It is capable of administering structural funds under a Preparatory Programme designed to make these funds available to countries that have not as yet acceded to the EU.

### Impact

The main impact of the Programme lies in the automation of data gathering in employment and the training of Staff. These projects have self-reinforcing linkages which are likely to produce long-term effects, provided both maintenance and update of systems and training effort, is sustained. As regards staff training, project impact was hard to assess, as statistical data turn out difficult to find or were simply non-existent.

The Palmif project offered positive effects in several respects:

- It collected a wealth of experience over 7 years of existence in Slovakia from which the MoLSAF, the RLOs and the DLOs, the ATF and local partners have learned about project design, implementation and implementation;
- It has contributed to job creation in areas of distress and to training for population at risk;
- It has leveraged both local and foreign resources and co-operation.

The Training and Retraining project (Adult training) was also successful by:

- Providing an excellent critical review of the 1996 Employment Act;
- Creating seven Centres of excellence targeted to vulnerable registered Unemployed Adult groups in need of training or re-training
- Delivering tailor-made training to centres of excellence

- Contributing to the creation of a National accreditation Authority of national VET standard.

The project “Automation of data gathering in employment offices” was also successful by contributing to:

- Facilitation of a better integration of types of information from multiple sources in charge of the LMIS (in addition to MoLSAF and the NLO, the Statistical Office, National Insurance Funds, the RILSAF, Institute of information and Prognosis)
- Design a client-oriented LMIS aimed at improving the level, quality, timeliness and speediness of information.
- Allow MoLSAF and NLO to improve access to employment/unemployment data through the LANs installed
- Develop a Pilot centre in Trnava, fully equipped to become a connecting point to EURES (that is a post-accession link to a trans-european network dealing with demand and supply of job vacancies)

### Sustainability

Sustainability of the impact and outputs for the programme overall and each of its projects is mostly long-term and requires internal financing. The Palmif project has not had lasting impact due to lack of support from Government (25% of the project costs) or future EU financing. A key element here is also the capacity of the Government to inject resources into training and retraining to maintain the momentum already initiated.

Regarding the Industrial Relations projects:

- Both had a too short spell to be effective for approximation of legislation;
- Macro-level negotiations had the character of a general agreement ("gentlemen's agreement") without being legally binding in any way and without defining sanctions for any party in case of non-fulfilment.

### **4.3.2. The Social Sector Programme**

The 1993 Social Sector programme (SR 9305) was continued in two separate programmes (SR-9407 and SR-9518). Rather than evaluating programme by programme or assessing separately the 26 budget lines, the three programmes were split up in six logical and coherent projects and evaluated separately - despite the fact that these projects were often spread out over two programmes. These six projects had precise objectives and specific outputs, which were easier to evaluate.

The whole package of 6 projects performed well, on average. They all answer to the needs and are in accordance with the policy of the Government. Their design did not always provide the full means to utilise the software created or to put in practice the training models. For this reason, effectiveness and impact are not always satisfactory. Nevertheless, it is too early to measure the impacts of these projects. The problem of sustainability is very dependent on commitment to meet operating costs.

The "Information system on state benefits" was able to produce appropriate software to centralise payment of all state benefits in one location. Such a project can play a key role

to simplify the service to customers and at the same time improve the control on benefits. But this system is not yet implemented because of lack of equipment and training. Nevertheless, the government made a strong commitment to do this next year. A real one-shop system needs a lot of organisational and legislative reforms. On the other hand, concrete realisations like the mapping of social support already provide useful information tools to Government.

The "Information system on National Insurance" (SR 9305 and SR 9407 02) faces a similar problem but on a broader scale. More ambitious software was designed for the Central Client Data Base but the cost of full implementation does not seem affordable for public finance. The planned solution, a loan from the World Bank, is still under discussion. There must be more concern about the immediate use of software, which can become quickly obsolete if not used. Similarly the model of social expenditures (ESTEEM) created in the first part of the program is utilised by a few civil servants in MoLSAF but is not known by those of the Social Insurance Agency. It might not answer to their specific needs; this is an example of the lack of communication between services. Nevertheless, the work on information systems, even if it is not yet implemented, is part of a whole process to develop a more client-oriented attitude.

The "Training of social workers" project (SR 9305 and SR 9518 03) was able to produce a model centre for training and to improve strategies on an in-service training system. Very good technical support and involvement of qualified staff has facilitated social work of quality close to European standards. But the concrete development of these concepts at large scale depends on its operating budget. Similarly, the actual use of minimum standards depends on a much broader reform of the civil service system. It is still difficult to assess the impact of many training and field visits scattered at different levels.

**Table 3 : 11 projects of the project on "Decentralisation of Social Services"**

<b>Name of Project</b>	<b>Participating institution</b>	<b>Location</b>	<b>Budget (Euro)</b>
Home for palliative care	<b>Civic Association HOSPICE</b>	<b>Martin</b>	<b>28,607</b>
Respite Care : support to families with physically disabled member	<b>Chance for All Children</b>	<b>Bratislava, Dunajska Luzna, Turen</b>	<b>27,861</b>
Developing programmes for the Autistic Persons	<b>TU SME Institute of Prof Karol Matulay</b>	<b>Bratislava</b>	<b>21,891</b>
Crisis centre : The emergency Telephone line of a child	<b>Line of Child UNICEF</b>	<b>Bratislava</b>	<b>21,144</b>
Social service agency	<b>Theatre from the Passage (ANNWIN)</b>	<b>Banska Bystrica</b>	<b>22,389</b>
Personal assistance Agency	<b>Children Club</b>	<b>Kosice</b>	<b>223,889</b>
Agency for Handicapped Citizens Employment	<b>Association for the Help of Mentally disabled</b>	<b>Bratislava</b>	<b>21,144</b>
Centre of Hope for Victims of Domestic violence	<b>Help to Endangered Children</b>	<b>Bratislava</b>	<b>13,523</b>
People in Need : Home alarm	<b>Maltese Assistance</b>	<b>Bratislava</b>	<b>22,388</b>
Co-ordination Centre for Social service	<b>Spring of Hope</b>	<b>Levice</b>	<b>21,144</b>
Transformation of Children's home	<b>Navrat, children house</b>	<b>Necpaly, Bratislava</b>	<b>27,363</b>

The project on "Decentralisation of social services" (SR 9305 and SR 9518-02) was able to implement 11 innovative projects. Their selection was done according to appropriate criteria and they covered a wide range of activities all over the country. The above table summarises the projects. The management of these projects was quite efficient but the monitoring system should have been used for much more projects to develop economies of scale. This would be necessary to reach a threshold effect for an overall change of attitude in the NGOs sector, which is just emerging.

The project on "Policy and legislation" (SR 9305 and SR 9407 01 ) can be considered as the most important but also as the most difficult to implement. The impact of this kind of technical assistance remains often too broad and not sufficiently connected to operational problems. For this reason, a better co-ordination with other projects is essential. Some progress has been made concerning legislative frameworks but it is difficult to attribute this to the project.

The "Strategic business plan" (SR 9407 03 01) played an important role in transforming the management of the Social Insurance Agency (SIA). Many concrete propositions were

implemented to introduce a more business-oriented attitude in SIA. Nevertheless, such a work is a long-term task and the length of the project remains too short.

For the management of these three programmes (SR9305 03, SR9407 04, SR9518 04), the PMU/PIU received support for a total amount of € 444,200. With the beginning of the new programme on social Insurance, a separate PMU was created in the SIA.

Table 4: SLOVAKIA Ratings for both Programme and Project level performance: 5: excellent; 4: good; 3: average; 2: below average; 1: poor.	Contribution to Programme level				Project level	
	Needs and policies	Appropriateness of design	Value added of Phare	Mean score	Efficiency	Effectiveness
<b>A. The labour market sector</b>						
<b>1. Labour market policy and legislation development</b>	5	4,6	4,8	<b>4,8</b>	4,4	
Development of active measures (€ 280,000)	5	5	5	5,0	5	
Palmif (€ 690,000)	5	4	4	4,3	4	
Training & retraining (€ 550,000)	5	5	5	5,0	5	
Occupational Counselling & Career guidance (€ 90,000)	5	5	5	5,0	4	
International linkages LEDA (€ 70,000)	5	4	5	4,7	4	
<b>2. Labour market information systems</b>	5	4,7	4,7	<b>4,8</b>	4,3	
Advanced methods analysis (€ 64,054)	5	4	4	4,3	4	
Automation employment offices (€ 767,046)	5	5	5	5,0	4	
Wage determination and statistics (€ 38,900)	5	5	5	5,0	5	
<b>3. Training of staff trainers (€ 400,000)</b>	5	5	5	5,0	5	
<b>4.1 Promotion of industrial relations development (9408: € 227,000)</b>	5	4	4	<b>4,3</b>	3	
<b>4.2 Promotion of industrial relations development (9519: € 300,000)</b>	5	4	4	<b>4,3</b>	2	
<b>5. Programme management unit (€ 378,259)</b>					4	
<b>Mean Score</b>	<u>5</u>	<u>4,4</u>	<u>4,5</u>	<u>4,6</u>	<u>3,8</u>	
<b>B. The social sector</b>						
<b>1. Information system of state benefit (€ 465,300)</b>	5	4	4	4,3	1	
<b>2. Decentralisation of social services (€ 1,056,700)</b>	5	3	3	3,7	1	
<b>3. Training of social workers (€ 950,000)</b>	5	4	3	4,0	1	
<b>4. Policy and legislation (€ 668,000)</b>	5	4	4	4,3	2	
<b>5. Information system of national insurance (€ 1,022,000)</b>	5	4	3	4,0	1	
<b>6. Strategic business plan (€ 544,800)</b>	5	3	3	3,7	1	
<b>Mean Score</b>	5	3,7	3,3	<b>4,0</b>	1,2	

### 4.3.3 Management issues

#### The PMU/PIU

The PMUs based in MoLSAF (working for the LMDP) and that of the Social Insurance Agency were completely separated. Even if their work was very different, they face similar problems. The management tasks were heavy and they did not always have enough staff. The cost of management support to the programmes is higher than initially estimated when the management component in each project is added to the global budget. If this is taken into account, the management share of the budget might appear rather heavy compared with activities undertaken. But many external effects have also to be taken into consideration. This support can be viewed as part of a training effort, which benefits many other activities. PMU staff are now fully skilled to offer accession-driven expertise to the MoLSAF and other ministries and to become subject matter experts on the use and application of structural funds. They have received training in Lancashire, materials and twinning with similar units in Scotland and other EU member States and through e-mail and internet. In addition, PMU staff have improved their knowledge of English, their capacity to use computers and to understand the EU administrative procedures

Technical assistance was provided through the two PMUs and was considered beneficial by stakeholders, with some variations due to personal attitude. Expert selection was rather carefully done. The system of contracting out technical expertise was satisfactory even if some programmes appeared to be sometimes somewhat “contractor-driven”. This issue reveals the necessity of internal substantive sector expertise, not only on managerial aspects.

The two PMUs were both rather well integrated in their respective host structures. The head of PMU of the SIA is now vice-Director. Most of the personnel were civil servants of the Ministry. There was some concern that the PMU was concentrating most support within itself and that their benefits were not enough disseminated widely enough. This was not so much the case in the central administration of both projects. The system of a large Advisory Task Force enables to associate a large number of civil servants from different departments. It was of course more difficult to involve those at peripheral level.

#### The role of PMU/PIU

The PMUs played an essential role in the achievement of both social and labour market programmes. They were able to tackle efficiently the rather complex EU procedures. All projects were implemented timely and funds were disbursed in accordance with the DIS Manual. Some unspent amounts have been left in the PMU account due to an unexpected reduction of costs in the social sector programme. The negative aspect of this situation is that projects were driven by administrative issues, which consumed most energy and time. Consequently, they were all input-oriented and little attention was given to long-run impact, which should be one of the main criteria for success. The absorptive capacity should not be considered as the main indicator. There is a need to reinforce technical aspects in the overall direction of projects.

The consultant agencies played an important role on technical implementation but they had to stick to their terms of references. Hence, their final reports were often rather

formal, insisting on the tasks and activities carried out rather than on their effects. A more global approach was necessary. The annual assessment report made by OMAS gave useful information but it is not a form of permanent monitoring of a project. The EU Delegation should also be more involved in this field. It might be a good idea to develop closer contacts with projects and also to improve their visibility.

#### The problem of co-ordination

There was a problem of co-ordination inside and outside both programmes. In the design of the project, the technical assistance to the PMU was concentrated on administrative aspects. Experts were not in charge of co-ordinating different agencies. In this context, good collaboration depended on personal relations between experts. This might explain the lack of linkages between policy and managerial aspects. In the future, it will be preferable to choose only one agency or to charge an agency to be a kind of umbrella with a broader responsibility.

The co-ordination with other organisations is also essential and is much more a matter of daily managerial activities than of abstract policy issues. Especially the co-ordination between social insurance and social welfare benefits is crucial. Without a global approach, there is a possibility to "give benefits with one hand and take away with the other". Therefore, co-ordination between SIA and MoLSAF should be more developed.

Inside the MoLSAF, there was better co-ordination because the same unit was in charge of Labour market and the social protection system. The relations with other Ministries (for example the Ministry of Health or the Ministry of Education) were more sensitive. Important aspects of training programmes were not implemented because of the suppression of the Education Department of MoLSAF. Even if this duplication might not be a long-term solution, it was not possible to solve these issues in co-ordination with the Ministry of Education.



## **5. CONCLUSIONS AND RECOMMENDATIONS**

On the basis of these evaluation case studies, a number of conclusions can be drawn as to the extent to which Phare assistance has made a difference to labour market reform and social security in the two selected countries.

A preliminary remark is necessary for Slovakia, and to a lesser extent for Lithuania. An important feature of the Phare programme in labour market and social security is the number of relatively small projects. Many are funded under Framework arrangements. Some are also implemented by the company that leads the Framework Contract consortium for social development. Coherence in the spread of the different projects is not readily apparent. There was no log-frame to show the linkage of the different projects. Horizontal analysis of the components revealed the inner linkages and was used to structure a log-frame for the purpose of this evaluation. The EC Unit in the MSSL in Lithuania is now efficient in trying to bring the different elements together, in order to facilitate more coherence. In that respect, in Lithuania the good co-operation that is visible with the EU Delegation is noted.

### **5.1 Legal and institutional reforms**

There was a difference in focus to Phare assistance between the two countries. Lithuania has gone further to develop changes that were related to the accession process and align legislation to the adoption of the 'acquis.' Whereas in the Slovak Republic, the focus was very much on tackling unemployment (a government priority) and social problems, relative to the development of legislation related to the accession process. The contribution of experts appears to have been oriented less on policy or legislation and more on training, labour market information systems, equipment and other institutional capacity building measures.

That contrast appears to reflect not only the priorities of the Government, at the time when the assistance was programmed, but also the type of experts provided. For instance, in Lithuania staff with a legal background was provided compared with those in the Slovak Republic. The personnel for the project for the development of social insurance in Lithuania had a wide background in both the CEEC as well as an EU member state. This was reflected in the extent and depth of organisational change that the project appears to have initiated in the beneficiary organisation.

A consistent perception of beneficiaries as to the value of Phare assistance was that it had enabled individual initiatives to be completed much sooner than if it had not been available. Phare experts had brought a comparative perspective that enhanced the development of policy, legislation or capacity building. In many cases, Phare assistance and experts was seen as a catalyst for change.

### **5.2 Human resources**

Phare assistance has played a key role in strengthening of both national and local capacities to administer programmes, through training delivered at project sites and for

local labour exchange offices. Institutions like SoDRA in Lithuania and the SIA in the Slovak Republic were considerably reinforced through Phare assistance and through increased management capabilities and equipment (including hardware and software)-cum-training supplies.

Future activity envisaged by MSSL in Lithuania is more oriented to twinning, which it considers an efficient mechanism in that it can avoid some of the overlaps in technical assistance as occurred with some of the Phare inputs. Twinning might facilitate a more directed strategic thinking to the technical assistance needs of the sector. This approach also fits into the post-2000 Phare agenda.

The issue of staff training and retraining, which is particularly appropriate in Slovakia, is through the cascade effects it can provide to client-oriented staff of the NLO. When successful, this type of intervention is high-yielding. However, it was impossible to assess the real long-term impact, since adequate statistics on training are lacking.

### **5.3 Equipment and IT**

Equipment delivery was an important input for both MSSL and MoLSAF's administrations and their related agencies. Equipment provided should enhance the collection and collation of data to support that role. However, full impact of these changes will depend on employers recognising their legal obligations. It is moot whether the economic incentives scheme that the NLI has designed will stimulate a higher rate of obligations being fulfilled. There are doubts as to the capacity of the NLI to enforce the legislation until the long-term impact of the training its inspectors have received can be fully assessed, as well as the extent of improved co-ordination made possible from the installation of new IT systems later in 1999.

More generally, IT systems must go hand in hand with training. Wastage of resources occurs when training is lagging behind equipment as it was the case for the NLI in Lithuania. Here the crucial factor was the EC procurement methods causing unforeseen delays in procuring computers.

### **5.4. Recommendations**

a) SoDra in Lithuania and SIA in Slovakia, both HQ and Local Offices, should use the Phare-assisted IT system to develop a set of performance indicators to permit a more refined analysis than the gross collection rate or the ratio of incomes to disbursements.

b) The visible lack of coherence between multiple programme components in both countries has resulted in monitoring problems by the EC Delegations, which have staffing constraints. One possibility might have been to assign to the Delegation a specialist in labour market and the social security, perhaps also to cover the other Baltic States in the case of Lithuania. Even under the decentralised Phare structure, this possibility could still be considered. In relation to MSSL in Lithuania, if an advisor on the pre-accession process is appointed, the possibility might be considered of linking the expert with a Joint Monitoring Committee, to be set up in 2000. This will be composed of both representatives

from Lithuania and the Commission, with sectoral sub-committees, and will be advised by external specialists.

c) For the future design of LEIs, and to a lesser extent Palmif, a two-pronged approach would be preferable. One should be entirely socially oriented and supported by local institutions. Another should be strictly economically oriented and sustainable in the medium-term.

d) Internal linkages should be developed under a fully-fledged labour market policy, which is still to be designed. This should be aimed at combating unemployment and poverty. It should be based on tripartite arrangements, parallel local (LEEOs) and national (NLE) capacity strengthening to meet pre-accession requirements. This would require the development of legislation at municipal level, in order to enable the local authorities to deal with the LEIs.

- Self-employment should be a focus, which is line with the Employment Title and the projected patterns in the economy.
- Clear parameters should be established in relation to both the capacity of local implementing agencies and partners to deliver results, as well as their communication to all the partners in a LEI.

e) More use of twinning as an instrument could give continuity of support to beneficiary organisations as well as help to avoid overlaps in the TA. This also fits into the post-2000 Phare agenda and the needs of the pre-accession process.

f) Technical assistance inputs should be provided to help governments formulate labour market and social security policies.

# **ANNEXES**

ANNEX I LITHUANIA PROJECT LEVEL FICHES

1 STRENGTHENING CAPACITY: ADVISER TO THE MINISTRY OF SOCIAL SECURITY AND LABOUR

PROJECT	<b>Adviser to MSSL (LI-9502.03.01)</b>
CONTRACTOR	Association Européenne
Start date and Completion date	9-1996 9-1997
OBJECTIVES (FM)	<ul style="list-style-type: none"> <li>▪ To provide assistance to the MSSL to enable it to increase its capacities to function efficiently sources of EU information to be procured by MSSL's seven departments to help them track EU legislation, policy and others developments which may impact on Lithuanian policy development in their move towards EU accession.</li> </ul>
IMMEDIATE OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To reinforce the process of strategic reform within the MSSL in each of the major component parts of social policy (social security, labour market, social assistance, social welfare services)</li> </ul>
PLANNED OUTPUTS according to inception report	??
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Memos, drafting ToR, participation in discussions (mainly with the Vice-Minister)</li> <li>▪ Final report</li> <li>▪ Recommendations</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Information extracted from interim and final reports or through interviews of MSSL officials</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Hard to discern the quality of the outputs. Some of recommendations are quite pertinent indeed.</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Hard to discern tangible results. Faulty design leads to lack of performance: as it would have been more appropriate to select a core team rather than a single person to fill in such a position. The expert was practically on her own and cast into the middle of restructuring and reorganisation of the ministry.</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Little trace of impact observable in terms of some of the recommendations brought to bear for instance.: faulty design leads to poor impact</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Difficult to make out any sustainable outputs in this project. The lack of follow-up was evident.</li> </ul>

2 MEASURES TO STRENGTHEN THE CAPACITY OF THE MINISTRY OF SOCIAL SECURITY AND LABOUR

PROJECT	<b>Measures to strengthen the capacity of the Ministry of Social Security and Labour (LI-9502.03.02)</b>
CONTRACTOR	Birks-Sinclair
Start date and Completion date	1-1997 3-1998
OBJECTIVES (FM)	<ul style="list-style-type: none"> <li>▪ To provide assistance to the MSSL to enable it to increase its capacities to function efficiently sources of EU information to be procured by seven departments of MSSL to help them track EU legislation, policy and others developments which may impact on Lithuanian policy development in their move towards EU accession.</li> </ul>
PLANNED OUTPUTS According to inception report	<ul style="list-style-type: none"> <li>▪ Training and expertise on issues related to EU social policy</li> <li>▪ Comparative analysis of EU Social Affairs Ministries</li> <li>▪ Development of Lithuanian social policy for employment and local socio-economic development</li> <li>▪ Perception survey of the Ministry to be launched</li> <li>▪ Language training to deliver</li> <li>▪ Equipment to be procured</li> </ul>
ACTUAL OUTPUTS	<p>Series of reports to assist the MSSL on:</p> <ul style="list-style-type: none"> <li>▪ 3 Seminars on EU social policy, each attended by 30-40 senior staff members</li> <li>▪ Comparative analysis of (CEECs) ministries of Social Affairs</li> <li>▪ Local employment initiatives programme (not an output but a programme title)</li> <li>▪ Perception survey of the MSSL amongst its partners and client groups</li> <li>▪ Language training: 25 staff members in English, and 5 in French languages</li> <li>▪ Information base on EU social policy: 20 books and subscriptions to periodicals covering subjects like social policy, employment, social law and pensions</li> <li>▪ Procurement of equipment and resources: 2 VW Passats, 30 PCs, a scanner and a CD-ROM tower</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Information extracted from reports or through interviews of MSSL officials</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Hard to assess in view of little evidence available.</li> <li>▪ Extensive use made of the framework contract not consistent with the need to deliver assistance in a co-ordinated and integrated manner</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Language skills have resulted in some improvement for officials</li> <li>▪ Some of officials now provided staff for EU Integration unit in MSSL with enhanced language skills(what happened as a result of the other outputs ? what could have happened / was planned to happen ? ;</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Insufficient assistance provided to help develop a strategic plan for the Sector and to enhance significantly the MSSL's capacity as being barely possible to link Phare assistance's recommendations to organisational changes taking place within the MSSL</li> <li>▪ The report on Local initiatives ended up with the LEI project</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Hard to assess (explain)</li> </ul>

3 STRENGTHENING CAPACITY: TECHNICAL APPRAISAL OF THE WORKER PROTECTION SYSTEM

PROJECT	<b>Technical appraisal of the worker protection system in Lithuania and technical specifications for priority areas (LI-9612.-9750-17)</b>
CONTRACTOR	Birks-Sinclair
Start date and Completion date	1-1997 1-1998
OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To undertake an appraisal of the labour protection systems in Lithuania from the perspective of EU Safety and Health legislation and Best Practice ; and</li> <li>▪ To provide, on the basis of this appraisal, detailed recommendations for priority actions to be included in the terms of reference for the Phare 1996 supported programme for the strengthening of Lithuanian OSH.</li> <li>▪ Both in preparation for a further project on approximation of legislation, and to identify priority areas for action to preparation for EU accession.</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Final report including six elaborate specifications for priority Phare supported actions to strengthen and modernise OSH in Lithuania through the transposition and implementation of the Framework Directive.</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Information extracted from reports citing this appraisal.</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Not applicable (that is impossible, unless no output was produced at all)</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ This report was effective since the OSH/NLI projects were partly a follow-up of recommendations and priority actions formulated herein</li> <li>▪ The Opinion on the state of readiness of Lithuania to enter the EU took up many issues raised in the report</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Notable contribution to subsequent MSSL and NLI capacity strengthening via a sound analysis of their current institutional and technical weaknesses, ending up with successful OSH and NLI projects</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Not applicable ( ? ? ? )</li> </ul>

4. SUPPORT TO APPROXIMATION OF LEGISLATION IN OCCUPATIONAL SAFETY AND HEALTH

PROJECT	<b>Support to approximation of Legislation in Occupational Safety and Health (LI-98-5079)</b>
CONTRACTOR	Birks-Sinclair
Start date and Completion date	3-1998 5-1999
OBJECTIVES	<p>Overall objective</p> <ul style="list-style-type: none"> <li>▪ To support the response of Lithuania to the Opinion of the EC on its application for EU membership, by ensuring that the substantial efforts, identified as necessary to meet the Opinion, are made to meet pre-accession requirements in occupational safety and health ( OSH).</li> </ul> <p>Specific objectives were to assist the MSSL and NLI in:</p> <ul style="list-style-type: none"> <li>▪ Giving full effect to the Framework Directive 89/391-the Stage I measure of the OSH Internal Market Acquis identified in the Opinion</li> <li>▪ Comprehensive planning to give effect to the Stage II measures identified in the Opinion-the 13 individual initiatives under the Framework Directive ( it should be noted that there are now 14 Individual Directives as well as many other OSH Directives)</li> <li>▪ Taking the actions necessary to make the NLI an independent body</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Legal analysis of EU Directives and drafts for new legislation in OSH</li> <li>▪ Completion of the Stage I measure, through the preparation of draft legislation to ensure the full transposition of the Framework Directive 89/391/EEC, into Lithuanian law.</li> <li>▪ An Action Plan for transposition of all the Stage II measures, associated non-legislative actions and recommendations for Phare support.</li> <li>▪ A strategy for an independent NLI, covering detailed draft legislative amendments, associated administrative and financial measures, and a timetable for application with regard to perspectives of accession.</li> <li>▪ Improved awareness and knowledge of accession-related OSH requirements and responsibilities on the part of MSSL, NLI, the Commission for Labour Protection, the Government Sub-Committee for the Approximation of Legislation to that of the EU in the field of OSH, and the Parliamentary Social Affairs Committee.</li> <li>▪ A methodology for accession-related reporting by MSSL in OSH.</li> <li>▪ Inventory of external aid to Lithuanian accession -related OSH reforms.</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Two clear and internally consistent draft basic laws on OSH concerned with both labour protection and the labour inspectorate produced and which correctly transposes the four major relevant EU Directives, and based on detailed analysis of the latter and how they might apply to Lithuania.</li> <li>▪ Enhanced awareness by MSSL of the scope and detail of EU and the new legislation</li> <li>▪ One week joint study visit to the Irish Health &amp; Safety Authority in 2.1999 for two senior representatives of MSSL and NLI and two officials representing Employers and Workers sides of the Tripartite</li> </ul>



	<p>Commission</p> <ul style="list-style-type: none"> <li>▪ Involvement of employers meant that they could see how the EU norms are implemented and also demonstrated how Social Partners can co-operate in relation to health and safety at work.</li> <li>▪ A framework produced for cost-benefit analysis of reform, using the relevant data available, in order to assess the net impact of the introduction of the principles of the EU Framework Directive on occupational health and safety. This methodological framework produced by EU expert for future use by MSSL and NLI.</li> <li>▪ Discussion paper on the action required to prepare Lithuanian industry for full implementation of EU Directives (July 1998)</li> <li>▪ Plan for the required actions to transpose stage II measures, associated non-legislative actions with recommendations for Phare support. Includes details of other donor interventions.</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Actual laws drafted</li> <li>▪ Results of cost-benefit analysis</li> <li>▪ Enhanced inputs into drafting process of relevant MSSL and Tripartite Commission staff with a qualitative improvement in the resulting legislation.</li> <li>▪ Plan of action for transposition of Stage II measures</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ The project was carried out by officials of the MSSL and NLI, representatives of the MSSL's tripartite Labour Protection Commission with technical assistance from 3 EU experts, supported by a project manager in the UK and a project assistant in Vilnius.</li> <li>▪ An Inception Report was produced in May 1998 and the final report in May 1999.</li> <li>▪ The EU experts provided were of a high quality and experienced in their field. As a result, they were able to support the MSSL in the transposition of EU Directives and the drafting of laws, which were finally acceptable to both Cabinet and the <i>Seimas</i> (Parliament).</li> <li>▪ Process of consultation was lengthy. It involved all the main partners and represented the assessment of MSSL, as to the needs which had to be covered by the legislation.</li> <li>▪ The approach of frequent consultation with the EU experts and redrafting over a period of a year was necessary in order to provide the detailed analysis of the EU Directives and draft legislation produced by MSSL and which achieved results acceptable to all parties.</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Phare experts advised the MSSL and national experts on the harmonisation of national legal acts on safety and health at work with 17 separate EU Directives. (= activity and output, not objective ; belongs under efficiency)</li> <li>▪ Draft laws were produced on OSH.(= output, not objective)</li> <li>▪ Two legal acts have been adopted for labour protection and measures in order to strengthen the National Labour Inspectorate as an independent body, which will have to enforce the OSH legislation.</li> <li>▪ The EU experts with their professional standing and experience gave credibility to the opinions of MSSL vis-à-vis the employers who doubted the EU legislative requirements. Since the trade unions are not strong, the MSSL had to ensure that the interests of the workers were protected in the dialogue.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Without the help of the EU experts, MSSL could not have drafted the legislation in the timeframe set by Government. (= part of efficiency assessment)</li> <li>▪ MSSL were provided with the reference information and analysis they need to produce a draft basic law on OSH which correctly transposes the four major EU Directives covered, and which is clear and internally consistent.</li> <li>▪ MSSL were assisted to understand and start to make provision for the need to use publicity and published guidance and information as tools to raise awareness of new legislation and help secure compliance, reinforcing and extending the reach of formal enforcement activity.</li> <li>▪ Senior representatives of MSSL and NLI gained greater awareness of the operation of key aspects of OSH regulation in an EU country of a similar size and number of inspectors.</li> <li>▪ A framework was provided for analysis of the costs and benefits of reform together with some preliminary estimates of the values of these costs and benefits of the suitable data available, which could be used by government for future analysis.</li> </ul>
<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<ul style="list-style-type: none"> <li>▪ It is too soon to assess what will be the impact of this legislation. In the long term it is expected that it will improve occupational health and safety. The legislation is drafted in order to meet the demands of the 'acquis' and has been based on current EU law. If Government has adopted the legal acts, then they have the force of legislation, which has to be accepted by concerned parties. Enforcement will be then be according to the due processes.</li> <li>▪ Critical to long-term impact will be the degree to which the legislation is enforced and employers and workers follow the detailed legislative requirements. Both will depend upon the capability and enhanced capacity of the NLI to enforce the legislation. It also means that the NLI requires a sufficient number of inspectors to enforce the legislation and which it currently does not have.</li> </ul>
<p><b>SUSTAINABILITY</b> of outputs</p>	<ul style="list-style-type: none"> <li>▪ The acts will be part of national legislation and will continue until such time as Government would wish to amend. They are necessary to meet the requirements of the 'acquis'. Therefore, it is reasonable to assume that the outputs and the contributions made by Phare will be sustained.</li> </ul>

5. INSTITUTIONAL DEVELOPMENT OF THE NATIONAL LABOUR INSPECTORATE IN A PRE-ACCESSION CONTEXT

PROJECT	<b>Phare support to institutional development of National Labour Inspectorate in a pre-accession context ( LI-98-5086)</b>
CONTRACTOR	Birks-Sinclair
Start date and Completion date	9-1998 8-1999
OBJECTIVES	<p>To improve upon the effectiveness of the OSH system as one element of an integrated package of Phare support in response to the need identified in the Commission's Opinion on Lithuania's Application for Membership of the EU.</p> <p>More specifically:</p> <ul style="list-style-type: none"> <li>• To strengthen the institutional capacity of the NLI enhancing accession-related awareness, information access, knowledge and inspection capacities in the field of OSH</li> <li>• To develop a sustainable training strategy for NLI, with supporting materials and an initiation of training of trainers.</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Establishment of OSH Resource and Training Support Centre;</li> <li>▪ Recommendations for, and introduction of changes in the inspection, investigation and enforcement methods in NLI to improve the management and efficiency of its operations in line with EU legislative requirements and EU best practice</li> <li>▪ Training development (strategy and 3 demonstration modules, in-house trainers' training)</li> <li>▪ Support to equipment procurement (to be procured by GEMCO) to enhance NLI's capacity to enforce legislation</li> <li>▪ Reports</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Strengthened NLI capacity for both the national and the 10 local offices</li> <li>▪ OSH Resource and Training Support Centre established and staff trained to operate it</li> <li>▪ OSH Information Leaflets developed by OSH Information Centre Working Group</li> <li>▪ 22 recommendations made for changes in inspection, investigation and enforcement methods</li> <li>▪ Accession-related training strategy rethought; and programme for NLI</li> <li>▪ 4 training modules operational and trainers' training done</li> <li>▪ one study tour</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Cross-checking with Phare experts and interviews of MSSL and NLI officials</li> <li>▪ Visit of the OSH RTSC</li> <li>▪ Equipment list for procurement of diagnostic and computer-based equipment</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ On the whole efficient team-working, even if sources of inefficiencies lie in the time lag resulting from training delivered for new IT system and the late (September) supply of the PCs because of the time needed to allow for EU tender procedures. As a result the local offices will not be operational before end of 1999.</li> </ul>

<p><b>EFFECTIVENESS</b> Performance Achievement of results</p>	<ul style="list-style-type: none"> <li>▪ Results achieved satisfactorily and effectively in use by MSSL</li> <li>▪ Skills transfer processed satisfactorily in various fields (risk assessment, inspection strategies and management of OSH inspection; investigation into accidents; investigation of occupational ill health); trainers' training by means of joint teamwork and formal training</li> <li>▪ Recruitment and incentive mechanisms to support staff more bound to new approaches</li> <li>▪ Training and appraisal of inspectors' performance</li> <li>▪ IT system of Labour Inspectorate enhanced</li> <li>▪ MIS operating to improve the collection and collation of data</li> </ul>
<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<ul style="list-style-type: none"> <li>▪ Access to information and databases on EU legislation in OSH by social partners</li> <li>▪ 6 appointed Training Inspectors able to deliver the modules again to further audiences and to develop new complementary modules</li> <li>▪ Impact constrained by the shortage of inspectors and the compliance rates with the legislation on the part of employers and employees.</li> <li>▪ Culture change from policy to advisory role in accordance with NLI policy largely untested</li> <li>▪ A step forward to pre-accession</li> </ul>
<p><b>SUSTAINABILITY</b> of outputs</p>	<ul style="list-style-type: none"> <li>▪ Hard to assess in view of the recent acquisition of training and IT not yet really tested.</li> <li>▪ Skills transfer and 18 reports that have been provided to NLI by Phare experts will ensure an in-house self-training process to operate, even if further TA support appears to be needed.</li> </ul>

## 6. TRIPARTITE DEVELOPMENT OF PILOT EMPLOYMENT INITIATIVES AT LOCAL LEVEL

PROJECT	<b>Tripartite development of pilot employment initiatives at local level (LI-98-5193)</b>
CONTRACTOR	Birks Sinclair Ministry of Labour (Labour Markets Division)
Start date Completion date	5- 1998 11-1999
OBJECTIVES	<p><b>Overall :</b></p> <ul style="list-style-type: none"> <li>▪ Increased capacity within the MSSL, National Labour Exchange (NLE) and Labour Department and their social partners (SPs) especially the employers' organisations and the trade unions, in order to develop more refined approaches to local labour market and active employment policy, supporting employment initiatives in preparation for the adherence of Lithuania to the Internal Market 'acquis and interactions with Structural Funds</li> </ul> <p><b>Specific objectives:</b></p> <ul style="list-style-type: none"> <li>▪ Prepare Lithuanian labour market interventions through MSSL and Social Partners (SPs) for future support under structural fund related approaches to local and regional development.</li> <li>▪ Align Lithuanian Employment Initiatives with Employment Title guidelines</li> <li>▪ Establish, support and evaluate a small- scale pilot programme of Local Employment Initiatives (LEIs) as a basis for practical recommendations for a national programme. This would fulfil the obligations of MSSL under the National Programme for Adoption of the Acquis (NPAA) and its National Employment Programme.</li> <li>▪ Enhance policy development and operational capacity of the Labour Department and National Labour Exchange (NLE) of the MSSL, enhancing options and awareness of an active employment policy in an EU context and setting out appropriate next steps with Lithuanian domestic resources, through the Employment Fund. Seminar planned on structural funds.</li> <li>▪ Strengthen consultative processes and operational links of the MSSL with the Social Partners, especially in the area of LEIs at national level and, in the case of the NLE, at local level.</li> </ul>
PLANNED OUTPUTS according to Inception report	<ul style="list-style-type: none"> <li>▪ Proposals for refined Lithuanian employment initiatives, supporting the pre-accession process by : being focused on prospective interaction with EU Structural Funds (b) aligned with common themes of the Employment Title (c)embodying awareness of the requirements of equal treatment and opportunities</li> <li>▪ Raised awareness of the enhanced role of the SPs in consultations over economic policy following the Maastricht Treaty and SPs strengthened by training at national and local level to contribute in terms of LEIs.</li> <li>▪ A strategic perspective on a possible national programme of LEIs, well- informed of EU best practice in local employment policy. Awareness of wider responsibilities in this area amongst SPs will be an important facet of this.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Enhanced policy development skills in respect of local active employment measures and LEIs in MSSL, with recommendations for policy improvements including consultations with SPs, to align Lithuanian employment policy initiatives with the Employment Title guidelines.</li> <li>▪ Enhanced staff skills, leadership, and understanding of local employment measures and LEIs in county and local offices of the NLE with recommendations for enhanced implementation of active employment measures.</li> <li>▪ Pilot LEIs under way in up to 4 districts of the selected county, with active and effective local players and partnerships with monitoring and evaluation of the pilot LEIs in place and initial lessons drawn.</li> <li>▪ Recommended strategy for a national initiative to be followed up by MSSL to support LEIs, including a commitment to application of domestic and -if available-international donors resources to extend the successful aspects of this pilot programme. This will include a formal application to the Council of Europe's Social Development Fund, to be submitted before the conclusion of this project.</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Management structures designed and established at MSSL, with relationships to the MPAR, in order to ensure close collaboration and regulation of information flows between the project and the main players: Local Employment Exchange Offices, Labour Market Training authorities and municipalities.</li> <li>▪ Evaluation Committee in MSSL and at local level trained in the selection criteria of applications, including scoring and impartiality.</li> <li>▪ Selection and operations involved Local Employment Exchange in active project supervisory and monitoring role. Partnerships developed with local units of the municipalities or government as implementing bodies.</li> <li>▪ Result is enhanced institutional capacity for project selection, management and monitoring in LEEOs. Lessons drawn and a basis laid for future identification of projects under regional development programmes and with possible EU structural funds., although capacity varied between municipality.</li> <li>▪ Raised awareness of the organisational and economic pre-requisites for the development of LEIs, on the basis of partnership.</li> <li>▪ Seminar on the pilot process linking these activities to 'pro-forma' document development for structural fund applications.</li> <li>▪ Booklet entitled "Development of tripartite employment initiatives in Lithuania". (no date of print but out in January 2000).</li> <li>▪ High-level Seminar on Tripartite Development of LEIs held on 7<sup>th</sup> October 1999 to discuss their outcomes and the possibilities for future development.</li> <li>▪ 'Training Manual for the Project Management of LEIs' produced which found useful by LEEOs in management.</li> <li>▪ Pilot programme set up and nine local initiatives selected.</li> <li>▪ 9 LEIs set up implemented and monitored by LEEOs- 2 in</li> </ul>

	Alytus, 2 in Marijampole, 2 in Druskininkai and 3 in Varena- with active and effective local players and partnerships and with a total budget of € 46,814.
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Pilot LEIs set up and operational</li> <li>▪ Local management capacity of the LEEOs enhanced and developed</li> <li>▪ Jobs created and unemployment levels decrease</li> <li>▪ Increased awareness of how to identify and select projects that might meet the criteria for European Social Funds.</li> <li>▪ National strategy for LEI and a proposal for ESF.</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ LEEOs responsible for selection in association with Municipalities</li> <li>▪ Quality of projects varied. Some municipalities emphasised social welfare oriented projects. Others had a clear focus on employment.</li> <li>▪ Processing at MSSL of proposals according to guidelines.</li> <li>▪ Advisory support from experts and clear that their perception focused on regional development and giving the municipalities experience in the type of project that might be suited to Social Funds. Reality is the municipalities have used the LEIs to support social welfare projects that are their responsibility. Little relation to employment despite claims in project documents and priority on employment set by MSSL.</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Booklet on LEIs widely distributed over all municipalities, social partners, NGOs, Seimas, and Ministries dealing with employment policy.</li> <li>▪ High-level seminar gathering main actors of employment policy possibly leading to further political and methodological changes on LEIs (yet unknown).</li> <li>▪ Nine pilot initiatives in 4 districts set up and implemented resulting in: <ul style="list-style-type: none"> <li>➤ in excess of 50 direct jobs created,</li> <li>➤ in excess of 300 people trained in social services, hotel and other services,</li> <li>➤ facilities for training and development of the disabled established accommodating some 50 people,</li> <li>➤ new curriculum in forestry management established in agricultural college,</li> <li>➤ and a range of sustainable facilities established enhancing future local employment opportunities.</li> </ul> </li> <li>▪ One Labour Market Training Centre developed and provided with resources to offer training in basic skills for employment. At another-agricultural training school- forestry curriculum developed for training woodcutters.</li> <li>▪ Capacity of 4 LEEOs to select and supervise such projects enhanced. This will be a useful base for future work in relation to submitting projects for EU structural funds.</li> <li>▪ Variations in the degree to which the operational capacities of county and local level of NLE strengthened through the enhancement of staff skills, leadership and understanding of local active employment measures and LEIs in LEEOs and SPs. All LEEOs claim their management benefited from PMU help.</li> <li>▪ While final report claimed that Lithuanian decentralised</li> </ul>

	<p>institutions were strengthened to assist in application to EU Structural funds, the real capacity to do this varied between municipality. In the cases of social welfare projects, the rationale appeared more to meet a gap in municipal funding for assisting socially disadvantaged groups rather than as a model for future Structural funding. However, by including such groups, an element of understanding and application of Equal Treatment Directives and the fight against social exclusion was brought into the Lithuanian Employment Initiatives</p> <ul style="list-style-type: none"> <li>▪ It is claimed in the final report that the Strategy for a national initiative to be followed up by MSSL to support LEIs, including a review of alternative donors and a formal application to the Social Development Fund of the Council of Europe was achieved. But they were not completed at the time of evaluation in 9.1999. MSSL advised that this strategy has not been concluded and an application has not yet been prepared. It is hoped that this will be done before the end of November 1999. [Subsequent to the field mission, the team has been informed (10.99) that MSSL has decided not to make a proposal in view of the forthcoming Special Preparatory Programme, which is based on a Twinning Initiative.]</li> </ul>
<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<p><u>At macro, policy level:</u></p> <ul style="list-style-type: none"> <li>▪ Two million Litas approved by the Seimas for the implementation of a “unemployment reduction programme”, under the MSSL’s responsibility, aimed at creating new jobs using the LEIs experience.</li> <li>▪ LEIs approach is playing an important role in the National Employment Action Plan currently under preparation.</li> <li>▪ LEIs’ strategy planned to be used in mitigating social consequences of closing down the 1<sup>st</sup> block of the Ignalina Nuclear Power Plant*</li> <li>▪ The booklet, the seminar and this extra-financing deserve consideration as pointers of government’s interest in the LEIs approach. It is hoped that deficiencies observed in this report may help deciders refocus the LEIs on a more employment-centred approach.</li> </ul> <p><u>At micro, local level:</u></p> <ul style="list-style-type: none"> <li>▪ Only 2 of the 9 pilot initiatives can be regarded as directly linked to employment. These are the project to train 12 woodcutters linked to the forest resource base of the local economy in Varena and training 200 people for the hospitality and tourism industry in Druskininkai. Another 4 have initiated plans or strategies, for example, for tourism, or in the case of Alytus to set up a business incubation centre which it is hoped will generate future employment.</li> <li>▪ Three are concerned with social welfare support, for example, helping disabled children attend a day centre or disadvantaged children attend vocational school. If there is a employment link it is that 15 carers are released and can find employment. But this is a marginal contribution to active employment.</li> <li>▪ The overall impact on employment both in terms of reducing unemployment or job creation is weak. If these LEIs are seen as</li> </ul>



	<p>a model for job creation, this not evident except in the two localised examples cited and the plan for a business incubation centre in Alytus to encourage self-employment.</p> <ul style="list-style-type: none"> <li>▪ It is difficult to perceive how far the LEIs can be models for employment in other areas of Lithuania when there is no coherence to the range of projects initiated. This is especially the case with those projects oriented to social support. Replication depends on a homogeneity of pattern in activities and outputs.</li> <li>▪ Only one (the business incubation centre) can be regarded as linked to a key sector for the future, which is SMEs and self-employment.</li> <li>▪ The plans for tourism in the four centres concerned have a long term aim of developing recreational tourism and agro-tourism which could generate employment possibilities, especially in rural farms. The impact in the latter could be marked on women who will be involved in the provision of accommodation and services and who could have an alternative form of income generated as a result.</li> <li>▪ A tri-partite social dialogue in the selection and formulation of these projects is not evident. This reflects the inability of the trade unions to agree on representation and level of involvement. It also reflects an institutional constraint that is seen in other sectors, which is the difficulty of different organisations and institutions to co-operate. It would appear that some employers have been involved but a tripartite dialogue does not appear to have informed the local employment initiatives. This was an essence of the design of the programme. Where it has been lacking, the impact of the local initiatives has been diluted.</li> </ul>
<p>SUSTAINABILITY of outputs</p>	<ul style="list-style-type: none"> <li>• On the whole, the LEIs' outcomes are at present barely sustainable as the political commitment is not sufficient to offset the too large emphasis on social welfare activities. The concept will be sustainable only if durable, productive employment will be created and a sustainable (self-financed) structure linking effectively the local and national level will be brought to bear.</li> <li>▪ Support for each project varied according to location. However, a common feature was the support from mainly municipality or state funds to enable the project to be realised. This would appear to be forthcoming in the short-term. Without it, it is difficult to see this initiatives being fully sustained. This is especially the case with those projects that are oriented to social welfare activities on behalf of the municipality rather than directed to employment.</li> <li>▪ The development of the LEI and a national strategy with funding from MSSL and National Employment Fund was at the time of evaluation a condition that needed to be fulfilled if the outputs so far were to be sustained.</li> </ul>

Note: Post-evaluation add-ons following MSSL's comments on an earlier draft, while taking account of additional information received after country visit, notably the report cited below. \*See Report On The Workshop: Beginning to Address the Social Impact of the Closure of Ignalina Nuclear Power Plant, DRAFT 2 FINAL REPORT. 10 March 2000, This report has been prepared by Birks Sinclair & Associates Ltd.

## *Project Evaluation Fiches on 9 Local Employment Initiatives*

### 6.1 TOURISM IN ALYTUS

<b>PROJECT</b>	<b>Development Programme of Tourism in Alytus town and Region</b>
<b>CONTRACTOR</b>	Alytus Local Employment Exchange Office
<b>LEI Contractor (Main partner)</b>	Alytus Tourist Board Committee : Dzukija Tourism Information Centre, Alytus
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Creation of a tourism data-base</li> <li>▪ Evaluation of existing and potential tourism routes</li> <li>▪ Tourism development for Alytus town and region</li> <li>▪ Recreational territory plan for Alytus town and region</li> </ul> <p>Long term:</p> <ul style="list-style-type: none"> <li>▪ Development of tourism in Alytus and region</li> <li>▪ Co-operation developed between different institutions and partners for tourism development</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ All short-term outputs achieved with additional ones.</li> <li>▪ Data base on tourism created with a web site. Used to develop maps of Alytus town and region with recreational zones. These indicated the existing and potential sites for recreational tourism.</li> <li>▪ Report and a tourism development plan showing the recreational areas for Alytus town and county. Co-ordinated with architects, to show the different recreational zones. Basis for planning tourism development.</li> <li>▪ One site for recreational tourism ( mainly for weekend visitors) already developed. This will serve as a test for future development based on the above plans.</li> <li>▪ A number of pamphlets and brochures on different aspects of tourism produced. Disseminated to visitors to the centre and other tourist offices in Lithuania.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Two maps showing recreational areas for Alytus town and county. Used for planning.</li> <li>▪ Tourism development report and plan</li> <li>▪ Information pamphlets and brochures produced and disseminated</li> <li>▪ Web site for tourism office</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ Difficult to estimate actual (and potential) jobs created. In 9/99,3517 unemployed in Alytus a rate of 6.9%.</li> <li>▪ Market study is envisaged which will make estimates for employment based on potential demand. On past trends, there are good grounds for optimism that there will be an increase in the number of tourists geared to recreation and staying on farms (agro-tourism). 10 000 visitors in 1998 .</li> <li>▪ Web site attracting enquiries from USA, Germany, Poland and France.</li> <li>▪ 250 visitors per month to Centre. Difficult to estimate yet whether this linked to their new promotional efforts.</li> <li>▪ Potential impact on women in rural areas and 'hidden unemployment'. Women are key to success of agro-tourism and provision of accommodation and food. Development of agro-</li> </ul>

	<p>tourism can improve farm incomes and those of women beneficiaries.</p> <ul style="list-style-type: none"> <li>▪ Joint project under CREDO to link with Suwalki in Poland, which lies just over border, to develop networking and share computer based information. There will be 10 tourist information kiosks at different points on the Lithuanian border and 10 on the Polish side.</li> </ul>
<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ Alytus municipality support is needed and likely to continue. Tourism Centre is part of Municipality services and tourism is a key element for future development plans.</li> <li>▪ Municipality has a Small and Medium Business Fund to assist potential clients set up recreational and agro-tourism based ventures. For the latter, farmers have access to the Farmers' Support Fund from Government which can cover up to 25% of expenses in the renovation of facilities for agro-based tourism.</li> <li>▪ Hope of the Tourism Centre that local businesses will invest in accommodation and other facilities.</li> <li>▪ A constraint is the reluctance of hotels to share information on guest arrivals and length of stays. This could assist in survey of potential tourist flows and demand. Another is the reluctance of the Department of Statistics to share relevant data which could assist analysis and planning .</li> <li>▪ If expansion of demand, then a key factor is capacity of District Labour Exchange Office to match supply of unemployed persons to demand and training. A key element for sustainable development of plans to increase of adequate services to meet increased number of tourists. This factor needs to be part of the assessment and analysis of market that Tourism Office envisage, but this will take one year.</li> </ul>

## 6.2 ALYTUS BUSINESS INCUBATOR PROJECT

<b>PROJECT</b>	<b>Preparation of the Alytus Business Incubator Project, Consulting of the Founders (for the project region of Alytus, Lazdijai, Varena, Druskininkai )</b>
<b>CONTRACTOR</b>	Alytus Local Employment Exchange Office
<b>LEI Contractor (Main partner)</b>	Alytus Business Innovation Centre, Alytus Business College
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Preparation for opening of Business Incubator and its functions.<sup>2</sup></li> <li>▪ Market research study on scale and type of demand for Incubator services</li> <li>▪ Two seminars organised to promote the Incubator</li> <li>▪ Links set up by study visits to Business Incubators in Kaunas and in Germany</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>▪ Development of SMEs</li> <li>▪ Creation of entrepreneurial environment in Alytus region</li> <li>▪ Experience of Alytus region assists other regions to set up Business Incubators</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Strategy for Business Incubator prepared with financial prospects and details of services it will provide. The Incubator was set up and due to open at the beginning of October 1999.</li> <li>▪ Contact made with other ventures in Kaunas to see local initiatives and learn how incubators can be realised. Also seminars held in Alytus with foreign experts which widened perspective on setting up and running an Incubator.</li> <li>▪ Links being set up with other Baltic countries to share ideas. Joint project between College, Business incubator and ventures in Finland and Austria.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Actual centre for incubator set up and refurbished ready for occupancy by small companies.</li> <li>▪ Strategic marketing plan and supporting materials produced.</li> <li>▪ As yet, no company in situ in the Incubator as not yet opened but this is anticipated.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ It is planned that the Incubator will employ 50 people. This will reduce local unemployment by 5%. Companies will have been able to set up and in the longer-term they will expand. That could then lead to more employment creation for the region.</li> <li>▪ The companies will be knowledge based with IT facilities. A survey showed that local businesses had a need for such services to be available locally rather than having to use companies in Kaunas or Vilnius, which would be more expensive. However, it is recognised that future use of the companies that will be set up in the Incubator will also depend on the quality of services that they can offer both the local and wider market.</li> </ul>

<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ Ministry of Economy has provided 900 000 Lit. for three years start up and running costs. The College has given the ground floor of one of its buildings. The co-ordination came from the Business Innovation Centre. Four people will be employed to run the Centre. There will be a need to generate income for future operations.</li> <li>▪ One source will be from rents from companies using the Business Incubator, which will be on a sliding scale related to length of occupancy to a maximum of three years.</li> <li>▪ Income is planned from the advisory services it intends to provide to other business incubators.</li> <li>▪ There is a potential market in region for business services, which the Centre can provide, such computer based printing, business information retrieval, which at the moment can only be accessed in Kaunas or Vilnius.</li> </ul>
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### 6.3 JOB CLASSROOMS FOR THE DISABLED IN MARIJAMPOLE

<b>PROJECT</b>	<b>Equipment of employment promotion job classrooms for the Disabled in Marijampole city</b>
<b>CONTRACTOR</b>	Marijampole Local Employment Exchange Office
<b>LEI Contractor (Main partner)</b>	Social Care and Assistance Unit, Municipality of Marijampole
<b>Start and completion dates</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Creation and equipping the Social Assistance Centre to enable it to provide advice, care and training for handicapped children and their families</li> <li>▪ Building local partnerships and their role in social assistance to help the disabled</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>▪ Further development of social services in Marijampole region for other high risk groups, e.g., homeless</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ The centre was set up on 24 May 1999. It is equipped.</li> <li>▪ 25 disabled teenagers (18 male and 7 female) go to the centre and learn basic skills-art, shoemaking- as well as life skills such as how to use a laundry. There is no real skills development for employment.</li> <li>▪ That the children can attend the centre has enable 13 mothers to take find jobs and 2 others are employed in the centre.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ There are no indicators that can be used, as the project does not lead to employment for the beneficiaries. The only indicators are the set up of the centre and qualitative assessment as to how the children benefited.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ The project is essentially a social welfare project that provides assistance to 25 teenagers. It is worthwhile in the impact it has on improving their individual lives and their families.</li> <li>▪ That the children can attend the centre has enable 13 mothers to take find jobs and 2 others are employed in the centre.</li> <li>▪ It has no real impact in terms of developing local initiatives for employment for the beneficiaries. Perhaps 8 might go to a vocational centre for disabled adults but there is no idea if this might lead to future employment.</li> <li>▪ There appears no replication of the model nor plans to take on more children in the future.</li> <li>▪ Impact appears confined to helping the current beneficiaries which is at variance with the project objectives to build partnerships to assist more disabled young people.</li> </ul>

<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ There are no plans to take in more children so the project appears to be mainly to keep the existing number up to the age when they must leave, which is 20 years. There are an estimated 250 disabled young people in Marijampole but there are no centres except a kindergarten for disabled children. The young people in this centre have come from there.</li> <li>▪ Phare funds paid for teaching materials, kitchen equipment, carpets and some administration costs which is the salary of the director for six months. However, the main running costs of the centre are funded by the town administration. Some toys made by the children are sold in Vilnius to help buy materials. There is a twinning link with a Norwegian city, which provided shoe repair machines. Small funds for other pieces of equipment came from the UK and Netherlands embassies.</li> <li>▪ There is no real planning or strategic thinking as to how the centre will sustain itself in the future.</li> </ul>
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#### 6.4 OCCUPATIONAL ACTIVITIES OF TEENAGERS IN MARIJAMPOLE

<b>PROJECT</b>	<b>Establishment of classrooms for occupational activities of teenagers in Marijampole</b>
<b>CONTRACTOR</b>	Marijampole Local Employment Exchange Office
<b>LEI Contractor ( Main Partner)</b>	Social Care and Assistance Unit, Municipality of Marijampole
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Classrooms equipped in Sangruda Vocational Secondary School to teach craft skills to children from socially disadvantaged families</li> <li>▪ 36 children (12-16 years old) learn vocational skills</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>▪ Employment possibilities improved for socially disadvantaged children</li> <li>▪ Integration of selected children into labour market assisted.</li> <li>▪ Positive impact on crime rate and drug addiction in Marijampole</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ 27 children attend and board at a state secondary school, which has total enrolment of 226. They have learning difficulties and come from dysfunctional families.</li> <li>▪ Three extra teachers are provided to teach the children and paid for by the Municipality.</li> <li>▪ The boys are taught woodworking and gain a certificate of completion. The girls are taught knitting and sewing.</li> <li>▪ Two classrooms have equipment and furniture to teach basic craft skills for this group and any future groups.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Classrooms equipped to teach craft skills. Range of equipment provided. 36 children in school.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ Impact cannot be assessed until the children leave school. Then it will on the basis of how many obtain jobs. There are local opportunities locally for boys. Girls will have to go Marijampole, 30kms away. There limited opportunities in the rural area, where the school is located.</li> <li>▪ Phare funds provided some of the equipment used to teach the children.</li> <li>▪ There is no indication how the project will reduce crime and drug addiction as claimed in the project objectives. Perhaps, having the children in school enables them to be taught the appropriate issues on a preventative basis. But this was not apparent from the teaching staff who had a narrow and centralised focus to their curriculum and approach to teaching.</li> </ul>
<b>SUSTAINABILITY of Outputs</b>	<ul style="list-style-type: none"> <li>▪ 1.Since the children attend a state school, their support costs are met by the Municipality of Marijampole. Sustainability cannot be assessed, as it is not apparent whether another group will attend.</li> <li>▪ This is a social welfare project, which has tenuous links to possible future employment for the beneficiaries.</li> </ul>



6.5 DRUSKININKAI TOURISM ADVERTISING, INFORMATION SYSTEMS AND PROFESSIONAL EDUCATION

<b>PROJECT</b>	<b>The Development of Druskininkai Tourism Advertising, Information Systems and Professional Education for Druskininkai, Lazdijai and Varena districts</b>
<b>CONTRACTOR</b>	Druskininkai Local Employment Exchange Office
<b>LEI Contractor ( Main Partner)</b>	Druskininkai Tourist Information Agency
<b>Start date and completion date</b>	1-1999 5-1999
<b>PLANNED OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Material to advertise tourism attractions prepared and objective information on tourism collected</li> <li>▪ Advertising information system created in order to increase the numbers of visitors</li> <li>▪ Increased number of jobs related to increased numbers of visitors</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Tourist information database on Druskininkai produced and updated , which is based on data collected</li> <li>▪ Web site produced with information about Druskininkai, such as its attractions, accommodation, potential for conferences as well as the services available. Produced in Lithuanian and English.</li> <li>▪ Capacity of tourism centre enhanced through provision of upgraded computer equipment and software</li> <li>▪ Statistical data- base initiated to help to plan advertising strategy. Data used to regularly update the web site.</li> <li>▪ Publications and information leaflets for visitors prepared and also disseminated to other centres in Lithuania. 5000 copies of a tourist brochure on Druskininkai produced.</li> <li>▪ Awareness of tourism potential, for example, recreational attractions other than its traditional image as a spa centre, enhanced through 2 training sessions for 40 tourist guides and operators from other regions of Lithuania.</li> <li>▪ Time span too short to be able to assess whether any employment directly created as a result of the project.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Data base updated and functioning</li> <li>▪ Web site operational</li> <li>▪ Installation of computer equipment and software</li> <li>▪ Number of information material produced.</li> <li>▪ Number of tourism related jobs created.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ Druskininkai is a spa centre and used to receive large numbers of visitors from Russia, Poland as well as Lithuania. An extensive infrastructure of sanatoria was built up to accommodate them. With the demise of the USSR, this number has dwindled. 50 000 tourists come annually of which 25 000 are foreign, mainly from Poland, Germany and Israel. This is nowhere near the numbers of former times.</li> <li>▪ The need is to promote its other attractions oriented to recreational tourism and for conferences, which could use the surplus accommodation. The web site will be a key tool for this promotion.</li> <li>▪ Web site is of a high standard and has had already 130 visitors in the 6 weeks it has been in operation. The data on those visitors to</li> </ul>

	<p>the web site is then collated to target its tourism development.</p> <ul style="list-style-type: none"> <li>▪ Druskininkai has a Strategic Development Plan to the year 2015 and tourism is a main focus. The hope is to attract investment to upgrade the sanatoria and services, in order to attract visitors to come other than for the spa and its cures.</li> <li>▪ There is a clear link to employment in the planning of tourism development by both the Tourism Development Agency and the LEEO. It is estimated that one visitor spends Lit 10000 per visit and creates the need for 2 workplaces to service the visit as the minimum wage is Lit.500 per month. Therefore, the project was planned within the context of increasing tourism in order to generate more employment and demand for services.</li> <li>▪ Long- term impact is difficult to assess. This will depend on whether the various project outputs of the project lead to an increased number of visitors. The indications are that the LEEO and the municipality have a long-term view and one that is focussed on employment generation. That is encouraging.</li> </ul>
<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ Long-term benefits will depend on the realisation of the planned increase in the number of visitors. The web site and promotional material will help. Their update would appear to be manageable within the resources of the Tourism Development Agency with the support of the Municipality.</li> <li>▪ Phare funds enabled the Agency to install the necessary IT equipment and resources to be the basis for future development. Their cost was beyond their own resources. Inputs under the project should help to sustain the institutional capacity outputs.</li> <li>▪ Long term realisation of plans for increasing the number of visitors will depend on improved accommodation and services. This will require the necessary investment and resources. At this stage, it is difficult to assess the prospects for this. However, there is a clear recognition by the main players of the linkage between improving the promotion of tourism, increasing visitors and generating employment.</li> </ul>

## 6.6 DRUSKININKAI LABOUR MARKET TRAINING CENTRE

<b>PROJECT</b>	<b>Creation of the Druskininkai Labour Market Training Centre</b>
<b>CONTRACTOR</b>	Druskininkai Local Employment Exchange Office
<b>LEI Contractor (Main Partner)</b>	Druskininkai Labour Market Training Centre
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Establish and equip Training Centre</li> <li>▪ Trained teachers to deliver courses.</li> <li>▪ Training materials developed to serve these courses and 200 manuals on different topics</li> <li>▪ Define trends and needs as a basis for services of the Centre through a market analysis</li> <li>▪ Business plan for future development of the Centre</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>▪ Reduce unemployment in Druskininkai</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ The Labour Market Training Centre was set up with equipment, furniture and training materials, in order to enable it to start its training courses.</li> <li>▪ Trainers( all women) for these courses were trained in Vilnius on a 2 months course at an in-service centre. The training was oriented to work with the target groups of young (25 years old) unemployed, as well as those approaching retirement but who could still be employed.</li> <li>▪ Centre has four staff. Under the project, teachers came and provided on-site training in management and communication skills. This has enhanced the institutional capacity of the Centre to deliver courses and manage its activities.</li> <li>▪ 200 people were trained in the initial courses. 140 of the trainees were women and 60 men. 118 of the 200 were trained to work in restaurant and bars and 82 were trained for hotel work.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Centre set up and equipped.</li> <li>▪ Trainers trained.</li> <li>▪ Training courses established and ran.</li> <li>▪ Number of persons trained from target groups of unemployed or to be made redundant.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ The Centre would have been set up irrespective of whether it was supported by Phare under the LEI project. However, Phare funds speeded up its establishment as it enabled material to be purchased; the trainers for the first group of trainees to be trained; and assisted with the total costs for equipment, such as overhead projectors and furniture for the classrooms. This meant that the Centre had the infrastructure and trainers to commence training.</li> <li>▪ It has also the basis to continue training young people for future employment in the hospitality industry. There is a link with the efforts of the other LEI project in Druskininkai to promote tourism</li> </ul>

	<p>as a means to generate employment. The LEEO has selected the two projects to complement each other. The potential impact of this project to assist the Labour Market Training Centre is wider because of this linkage.</p> <ul style="list-style-type: none"> <li>▪ Some of the 200 trained had had previous experience in hotel or restaurant work 65 of them were about to be made redundant. The course gave them the skills to seek re-employment. 95% of the people trained have found jobs. This has an impact on the unemployment in Druskinkai.</li> <li>▪ Training will be available for business managers, hotel and bar work and beauticians. These are areas where the market analysis done by the Centre and in co-operation with the LEEO has identified a potential for future training. It is not clear to what extent the costs will be fully borne by the clients and by the National Employment Fund.</li> </ul>
<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ Running costs for the Labour Market Training Centre will come from the National Employment Fund. It is not clear to what extent the costs will be fully borne for future training courses by the clients and by the National Employment Fund. It would appear that some contribution is expected. If so, this will mean that the Centre will have to provide courses that the market wants as a means to find a job. On the other hand, it has done a market analysis and appears to know what are the courses that will attract potential clients</li> <li>▪ It is intended that a restaurant/bar will open on the ground floor of the Centre. This will be both a in-house training facility for trainees as well as a source of income for the Centre.</li> </ul>

## 6.7 TRAINING OF WOODCUTTERS AT VARENA

<b>PROJECT</b>	<b>Training of Woodcutters at the Varena Agricultural School</b>
<b>CONTRACTOR</b>	Varena Local Employment Exchange Office
<b>LEI Contractor (Main Partner)</b>	Varena Agricultural School
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ul style="list-style-type: none"> <li>▪ Establishment and equipping of a new training centre for woodcutters</li> <li>▪ Establishment of a new curriculum for training of woodcutters</li> </ul> <p>Long-term:</p> <ul style="list-style-type: none"> <li>▪ Train several hundred woodcutters to meet forecast local demand</li> <li>▪ Reduce local unemployment</li> <li>▪ Enhanced capacity of Varena Agricultural School to meet potential demand with adapted curricula to meet the needs of the local market</li> <li>▪ Launch of a 4 year forest specialists course</li> <li>▪ Closer co-operation and strengthening of local partnerships between municipality, local employment exchange office and forest ranger stations.</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ New training facility and course for woodcutters established within the Agricultural School</li> <li>▪ Training materials and specialised equipment provided such as saws, protective clothing.</li> <li>▪ 12 woodcutters trained on 10 weeks course with practical training in local forestry units</li> <li>▪ 5 trainees found new employment and 7 returned to self-employment but were previously unemployed -all as woodcutters for which trained</li> <li>▪ New training opportunity for unemployed established in Varena</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Number of persons trained</li> <li>▪ Number of trainees who found employment</li> <li>▪ Set up of the training facility</li> <li>▪ Training materials and equipment supplied</li> <li>▪ New forest specialist course set up and operational.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ Minimal impact on reduction of unemployment. Only 5 of trained persons were unemployed before undertaking the training and have now found jobs as woodcutters. The other 7 were self-employed private owners but were unemployed. They have returned to the same employment.</li> <li>▪ New legal requirement for all woodcutters have to have a licence before they can be employed. This can be only be obtained after the training. Therefore, it is hard to distinguish between legal requirement or whether a real labour shortage for woodcutters</li> </ul>

	<p>being the basis for demand for this course and future courses. This has not been assessed. The Agricultural School emphasised the legal requirement for demand for training.</p> <ul style="list-style-type: none"> <li>▪ Larger number applied for the next course but only 12 trainees can be trained with the current facilities and resources. Course advertised in local newspapers.</li> <li>▪ New training facility now available to region where none existed before.</li> <li>▪ Project has been the catalyst to the development of a new 4 year forest specialist course which will start</li> <li>▪ Demand evidenced by second group of 12 woodcutters who will start 1.10.99.</li> </ul>
<p><b>SUSTAINABILITY of Outputs</b></p>	<ul style="list-style-type: none"> <li>▪ Demand for training reflects a major feature of the local economy, which is that 2/3rds of land area is forested, and offers employment potential. Legal requirement for a certificate of training before a person can be employed as a woodcutter, will provide a basis for demand in the short-term. Longer-term will depend on the development of forest resources and the resultant demand for trained personnel.</li> <li>▪ Twinning links with town in Sweden, which has a similar school. This means additional support available to the School and its initiative for its new course.</li> <li>▪ Local industry supports the course as it meets the need for better-trained workers. Long term aim is improved production from its forest resources and resultant contribution to the local economy</li> <li>▪ Trainers for the course funded by the Agricultural School, which is a state institution. School facilities will continue to be available and practical training in local forestry units.</li> </ul>

## 6.8 SOCIAL SERVICES AT HOME AT VARENA

<b>PROJECT</b>	<b>Development of Social Services at Home in Varena Municipality</b>
<b>CONTRACTOR</b>	Varena Local Employment Exchange Office
<b>LEI Contractor (Main Partner)</b>	Varena District Municipality Social Care and Assistance Unit
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Better quality of services from the Varena District Municipality Social Care and Assistance Unit to its clients</li> <li>▪ 26 social workers from the Unit trained in basic psychological and medical skills in order to provide this improvement in services.</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ 12 new social workers who had been recruited for initial training were trained with Phare funds by the Ministry of Health at its training centre on a programme lasting 90 hours. Employed on a part-time basis by Unit and salaries paid by municipality. 13 social workers already on the staff and they were also trained.</li> <li>▪ No visible means of verifying whether this training has led to an improvement in the delivery of social services. The claim is that the ratio of clients to social worker will improve to 3/4 from the existing ratios.</li> </ul>
<b>INDICATORS OF OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Number of social workers trained</li> <li>▪ Improvement in the provision of social services to the target groups but no indicators of measurement for this apparent apart from ratios of clients: social worker.</li> </ul>
<b>IMPACT</b>	<ul style="list-style-type: none"> <li>▪ LEEO admits the project makes no contribution to increasing employment, which had been a main criterion for selection. It was claimed that it was "beneficial to people." Furthermore, the carers for the disabled can go to work but not clear how that increases employment as no evidence to justify the claim.</li> <li>▪ Main impact is improved ratios of clients to social workers but this cannot be verified. 300 vulnerable people in municipality (100 elderly and 200 disabled). Under the project, 190 were helped (110 disabled and 80 elderly) by the increased number of social workers available to serve them. 25 social workers divided between 6 rural and 8 urban areas. More trained social workers allows more coverage in rural areas.</li> <li>▪ The Unit had the funds to pay the salaries but not the training. Rationale is not clear as to why training costs could not be met if the municipality had the funds to provide salaries for those trained. The Unit and the LEEO unable to provide clear answers.</li> <li>▪ Equipment purchased under project. One computer is not being used in the general office of the Social Assistance Unit and it is not clear how it serves the interests of the beneficiaries under the project. Bicycles purchased for the social workers as well as gym equipment to give therapy for the clients. Unit admitted that it was in the homes of the social workers and likely to be for personal use. No visibility of the project to show that Phare had financed the equipment. Reflects inadequate supervision by the LEEO.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ The design is deficient in relation to purpose and long-term benefits. Appraisal by local selection committee was inefficient in relation to assessment against clear objectives and the criterion set for the LEIs. Both medium and long term impact is difficult to ascertain, as well as benefits in relation to costs. This is more a social welfare project than active employment. It is designed to assist with staff costs for the Unit and there are questions as to the use of the equipment purchased, which raises concerns as to the capacity of supervision and management at the local level.</li> </ul>
<p><b>SUSTAINABILITY of Outputs</b></p>	<p>Municipality will pay the salaries of part-time social workers trained.</p>



## 6.9 RURAL TOURISM INFRASTRUCTURE IN THE DZUKIJA NATIONAL PARK

<b>PROJECT</b>	<b>Development of Rural Tourism Infrastructure in the Dzukija National Park</b>
<b>CONTRACTOR</b>	Varena Local Employment Exchange Office
<b>LEI Contractor ( Main Partner)</b>	Dzukija National Park
<b>Start date and completion date</b>	1-1999 6-1999
<b>PLANNED OUTPUTS</b>	<p>Short-term:</p> <ol style="list-style-type: none"> <li>1. Publication of the first map of Dzukija National Park</li> <li>2. Collection of up-to-date data about the National Park</li> <li>3. Research and preparation of a photographic data base for future publication as a means to attract tourists interested in the ethno-cultural attributes of the Park and nature protection</li> </ol> <p>Long-term:</p> <ol style="list-style-type: none"> <li>1. Development and growth of tourism in the National Park</li> <li>2. Socio-economic development of the areas around the National Park through their involvement in the tourism sector</li> </ol>
<b>ACTUAL OUTPUTS</b>	<ol style="list-style-type: none"> <li>1. Map of the national park produced with a detailed guide. 10 000 copies were made. In order to encourage visitors, copies have been disseminated via Tourist Information offices throughout Lithuania.</li> <li>2. Photographs for a data- base are being compiled. They were not available to the evaluation and hence the output cannot be verified.</li> <li>3. There are no outputs that have seen an increase in employment or visitors as a direct result of the project. This is long-term.</li> </ol>
<b>INDICATORS OF OUTPUTS</b>	<ol style="list-style-type: none"> <li>1. Map and data- base produced.</li> <li>2. Long term-increase in visitors to the Park and possible socio-economic development. However, no indicators have been stated in the project.</li> </ol>
<b>IMPACT</b>	<ol style="list-style-type: none"> <li>1. Little impact to date as there is no direct linkage yet observable with an increase in tourism. The Director envisions the Park as a place to preserve traditional houses and a way of life. Apart from tourism, the only other commercial activity in the Park area, which is the largest in Lithuania (55 000 hectares), is forestry and wood preparation. The aim is to transfer the latter from the auspices of the Park and give more recreational use to the forests.</li> <li>2. The Director wants the tourism development to be managed by the private sector and concentrate the Park management on its ethnographic and environmental protection work. However, so far, only four farmers have expressed willingness to refurbish facilities for tourists. Estimated number of tourists in 1999 is 8-10 000 and the Park contains a number of villages. The scale of the potential and the need to involve private farmers is great. A strategy to promote this aspect is not clear.</li> <li>3. Overall, the results of this project are small and intangible in relation to both increasing visitors and related local employment.</li> </ol>

**SUSTAINABILITY  
of Outputs**

The Park is part of the Ministry for Environment Protection. Its operational costs are met by Government. Therefore, any the future growth in facilities have a base for meeting related costs to park management. The Park has opened a small hotel to cater for an increase in tourists and hopes that it will cover its costs in 2000. How other costs will be sustained is not clear and will depends on how plans for the park are realised.

7. ACCESSION-RELATED SUPPORT TO SOCIAL INSURANCE REFORM IN LITHUANIA

PROJECT	<b>EU Accession Related Support to Social Insurance Reform in Lithuania ( LI-96-0833)</b>
CONTRACTOR	SWS-Ireland
Start date and Completion date	3-1998 10-1999
General objective	<ul style="list-style-type: none"> <li>▪ To improve upon the effectiveness of the OSH system as one element in an integrated package of Phare support in response to the need identified in the Commission's Opinion</li> </ul>
Specific objectives (draft final report)	<ul style="list-style-type: none"> <li>▪ To strengthen the institutional capacity of the NLI, enhancing accession-related awareness, information access, knowledge and inspection capacities in the field of OSH;</li> <li>▪ To develop sustainable training strategy for NLI with supporting materials and an initiation of training of trainers</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Strategy for social insurance linked to the Acquis and 14 draft laws on specific aspects of social welfare of which 5 (pension funds; State social insurance pension – 10/'99 and 7/'99 ; State social insurance – 3/'99 and 4/'99) analysed and passed by Parliament;</li> <li>▪ Improved linkages between MSSL and SoDra through methodological guidelines set up</li> <li>▪ Social insurance contributions system made more effective and efficient</li> <li>▪ Seminars organised for dissemination to media</li> <li>▪ Report prepared on the social situation of Lithuanians in rural areas</li> <li>▪ Staff trained who understand better the EU regulations in social insurance</li> <li>▪ 2 Study visits in Ireland (on Contribution collection and data analysis; Policy development for social security and labour).</li> <li>▪ Information obtained from surveys analyses on the perception of the social insurance reform by MSSL and SoDra employees and the general population.*</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Cross-checking with interviews of MSSL officials</li> <li>▪ Draft legal texts</li> <li>▪ Surveys (these three are not indicators but sources of information)</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Hard to evaluate as drafting law is a lengthy process requiring various consultations and checking.(efficiency should refer to quality of output and cost efficiency ; that should be checked)</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Results achieved satisfactorily and effectively in use by MSSL (this is too general and almost circular reasoning; explain)</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Draft laws once passed have long-run effects (statement of principle, not an evaluation judgement)</li> <li>▪ MSSL strengthened through better share of responsibilities: MSSL for social insurance policy and SoDra for the execution of this policy</li> <li>▪ A step forward to pre-accession</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Since Government introduces the legislation, then once it becomes statutory it can be assumed that it will be sustainable. Similarly, with the introduction of new social insurance policies by Government.</li> </ul>

\* Phare TA launched a series of surveys

8 SOCIAL INSURANCE SUPPORT TO SoDRA

PROJECT	<b>EU Accession Related Support to Social Insurance Reform in Lithuania (LI-96-0833)</b>
CONTRACTOR	SWS-Ireland
Start date and Completion date	9-1996 9-1998
General Objectives (final report)	<ul style="list-style-type: none"> <li>▪ To contribute to both the development and reform of the Lithuanian economy and the Lithuanian preparations for European integration, through the provision of a quality, cost-effective and accountable social insurance system.</li> </ul>
Specific objectives (final report)	<ul style="list-style-type: none"> <li>▪ To put in place appropriate organisational and administrative structure and systems which will support SoDra Core business;</li> <li>▪ To transfer key management and organisational skills and knowledge to SoDra;</li> <li>▪ To bring about improved management and administration of social insurance;</li> <li>▪ To produce a plan for the re-organisation and re-modelling of the SoDra office system;</li> <li>▪ To define the functional requirements and high level data model of the main IT systems required by SoDra.</li> </ul>
PLANNED OUTPUTS	<ul style="list-style-type: none"> <li>▪ 45 Tasks identified resulting in following core outputs:</li> <li>▪ SoDra reorganised, IT systems introduced and cultural change initiated that has improved its core functions and customer services, collection rates, and payment systems</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ A more cohesive streamlined, client-oriented organisation put in place, which is more co-ordinated, has less duplication and is better able to focus on its goals</li> <li>▪ Consultation groups established through SoDra to bring management and staff skills to bring a combined approach to SoDra issues (skills developed in management, customer service, law, accountancy, quality customer service, media, field inspection, 1 study tour in Chile, 2 study visits in France and Ireland; 3 fellowships in Ireland on Civil Service Training; management structures; control and antifraud issues)</li> <li>▪ Increased social insurance contribution income to SoDra: 27% in 1997, 25% in 1998-1<sup>st</sup> Q; - Increased collection rate by SoDra field inspectors in 1997-3<sup>rd</sup> and 4<sup>th</sup> Q and in 1998-1<sup>st</sup> Q; - Substantial increase in the number of employer inspections same period; Better targeting of employers through acting on information from the public and other agencies; Substantial increase in detection by field inspectors of illegal employment: late payment fines increased by 74%; Substantial increase in the minimum wages on which contributions are paid, and in the numbers of employers registering with SoDra;- Standard Local Office Model developed along with standard management structures; Appropriate methodologies developed to carry out the work in terms of workloads, personnel rotation, etc.; Appropriate training programmes developed;</li> <li>▪ Appropriate business systems in place ensured on which to establish an IT platform.</li> </ul>

INDICATORS of outputs	Evidence from field visits: IT system installed and in use
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Adoption of a Project Gantt by tasks from design stage leading to an effective monitoring; Excellent guidance and close backstopping of the project; Timely reporting well done (monthly reports); High-quality international expertise acknowledged by MSSL and SoDra officials consulted ensuring time-saving, valuable actions undertaken</li> <li>▪ Number of procedural and managerial manuals revealing valuable management in place</li> <li>▪ System of self-assessment of efficiency in place</li> <li>▪ Training deficiency reported resulting from the switch from territory to county level</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Results are in accordance with those planned and the project was effective and outputs are in use in the 4 local offices visited (out of 52);</li> <li>▪ Skills transfer processed satisfactorily in various fields (management, customer service, field inspectors, law, accountancy, quality customer service, media) by means of joint teamwork and formal training;</li> <li>▪ More positive image of SoDra in the media and public perception improved as an organisation which the Public trust</li> </ul>
IMPACT* Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Local Offices' reorganisation reflects the greatest impact</li> <li>▪ MSSL and SoDra mutually strengthened through better share of responsibilities: MSSL for social insurance policy and SoDra for the execution of this policy</li> <li>▪ IITS for social insurance put in place has long run effects on SoDra cost-efficiency</li> <li>▪ A more positive image of SoDra as an organisation with the public trust</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Large indebtedness casts doubts on sustainability if quickly unresolved</li> <li>▪ IITS put in place generates high maintenance and hardware update costs</li> <li>▪ Largely depends on SoDra's capacity and resources to apply the training plan put in place par Phare in the various fields required and to support Los' maintenance costs from IT systems put in place.</li> </ul>

**\* Impact at the local level was assessed through visits to a number of local offices of SoDra.**

Four Local offices were visited: "The new Vilnius" (Vilnius), Siauliai (the most advanced), Klaipėda and Palanga. They ranged from examples of the top layer of local offices (the first 2) to the latter two at the bottom layer in the hierarchy in terms of size and clients (enterprises and pensioners). Common attributes that were apparent from these visits can be summarised as follows.

- Local Offices are evidently client-oriented with base floor access to windows for clients, especially pensioners
- Clear organisation of the Local Offices by division (contribution collection, field inspection, exemption, IT, etc.)
- Staff are well trained in all relevant topics (personnel interviewed content with courses attended and felt themselves more effective in their work, despite initial resistance to change from top Local Office management) as a result of Phare funded training plans;
- IT efficiently and effectively run with modern hardware and software (Oracle under Windows NT) – except the small Palanga Local Office which is awaiting

a new system to run from October 1999 onwards; however, maintenance costs, although expensive, are affordable;

- International accounting standard procedures are now followed;
- Collection of income contributions from employers made more efficient as a result of using IT-processed data and field inspection visits.<sup>6</sup> However, the analysis has to take account of other elements like the current economic conditions, seasonal factors (notable in the Palanga area), or the coverage and possible change of scope of enterprises (compliance rates)
- Tax collection: fines tend to decrease as employers pay voluntarily as a result of field inspection efficiency. For instance, the relation between the number of inspections and the size of fines for late payment is demonstrated by the following figures for a small Local Office (Palanga) and the largest (Siaulai).

	<b>Palanga LO</b>		<b>Siaulai LO</b>		
	Inspections	Fines (LT thousand)	Inspections	Fines (LT thousand)	
1996	295	205.5			
1997	268	406.7	1997	1786	5717
1998	363	66.4	1998	3289	2542.5
1999					
1999-I	195	0.6	1999	1687	1267.8

- Post rotations allow for greater flexibility and collusion avoidance , especially in the Pensions division as exemplified in the Klaipéda Local Office.

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<sup>6</sup> In Palanga LO, for instance, the collection rate increased by 173.5 per cent from 2<sup>nd</sup> quarter 1996 to 2<sup>nd</sup> quarter 1999 and by 61 per cent between 1998 and 1999 despite the closing of most state-owned enterprises in the area (the greatest increase in collections rate comes from the small- and medium-scale enterprises). Average wage level does not relate to collection rate. In Klaipéda LO, the collection rate increased by 41 percent between 1996 and 1998.

## ANNEX II SLOVAKIA: PROJECT EVALUATION FICHES

### A. The Labour Market Policy and Legislation Programme

#### A-1 DEVELOPMENT OF ACTIVE MEASURES

PROJECT	Development of active measures (SR-9408.01.01)
COST	€ 280,000
CONTRACTOR	BSAL; IPS
Start date and Completion date	Beginning of 1998 except for the IPS study initiated beginning of 1997 End of 1998 except for the IPS report in May 1997 - See dates of publication in Annex IV items 1.2, 1.3, 1.6, 1.11.
WIDER OBJECTIVES (FM)	Not explicitly mentioned
IMMEDIATE OBJECTIVES	To provide TA to MoLSAF, RILSAF and NLO on: <ol style="list-style-type: none"> <li>1) Best practices of evaluating the effectiveness of ALMPs drawn from EU Member States in order to provide a basic guide to the evaluation of ALMPs in Slovakia.</li> <li>2) Ways to prevent, reduce and ultimately eliminate LT unemployment drawing on experience in the EU Member States;</li> <li>3) A series of research activities that ultimately will help Slovak policy decision-making institutions to choose a more targeted mix of policies to improve the efficiency and the effectiveness of the labour market (main areas: national employment policies, contribution of NGOs and SMEs to ALMPs; advice on methodology and research design.</li> <li>4) The identification of the potential for improvement to the vocational rehabilitation system for disabled people in SR with reference to employment counselling; preparation for employment and criteria for disability.</li> </ol>
PLANNED OUTPUTS According to inception reports	<ul style="list-style-type: none"> <li>▪ Workshops, seminars and reports for each of the four studies</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Number of reports and studies on pro-active labour market issues Inception and final reports for each of four studies*</li> </ul>
INDICATORS of outputs	<p>Recommendations to MoLSAF and the NLO and other key players for information and further action, namely:</p> <ul style="list-style-type: none"> <li>▪ 14 addressed to RILSAF</li> <li>▪ 14 addressed to MoLSAF and NLO under following titles: Preparing disabled people for employment-3; Delivery of services-1; Influencing employers-4; Support at work-1; Employment opportunities-1; Sheltered works-1, Definition of disability-1; Incentives to work-1; Education-1)</li> <li>▪ A package of 7 legislative, 7 organisational and 5 operational changes to address the long-term employment issue</li> <li>▪ Three recommendations addressed to the PALMIF project management as a result of the training delivered to co-ordinators aimed at enhancing its procedures and its management.</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ All these studies were efficiently carried out and their scope and issues covered are highly relevant to current problems met by the MoLSAF and the NLO as regards employment and training matters.</li> <li>▪ High quality of reports/studies both in presentation and substance</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ The main findings and recommendations of each of these four studies would deserve a better lot than being simply shelved. The NLO used effectively some of the recommendations in its efforts to overcome long-run unemployment via a better design, implementation and evaluation procedures of ALMPs and ALMIs addressed to vulnerable groups</li> </ul>

<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<ul style="list-style-type: none"> <li>▪ The new Employment Law, approved by Parliament effective 1-1-97, provides seven active policy measures to mitigate the effects of the restructuring of the economy. The Law consolidates the results of the Phare-produced labour market policy earlier analyses and reviews into enabling legislation. But there is no direct link between the studies and the legislation</li> </ul>
<p><b>SUSTAINABILITY</b> of outputs</p>	<ul style="list-style-type: none"> <li>▪ Sustainable only if the government prepares legislative texts and amendments on one hand, and finances itself or seeks actively external funding to tackle the long-run unemployment and the roots of minorities' backwardness and of vulnerable groups' low incomes and insufficient work opportunities. (youths, unskilled persons, women, long-term unemployed and the disabled)</li> </ul>

Note The item 1.1 TA for training of PALMIF co-ordinators is analysed under Palmif project even it is registered under this project for coherence.



A-2. PRO-ACTIVE LABOUR MARKET INTERVENTION FUND (PALMIF)

PROJECT	<b>PALMIF (SR-9408.01.02) as a continuation of the CZ-9108 (3 rounds)</b>
COST	€ 690,000
CONTRACTOR	BSAL, IBS Slovakia
Start date and Completion date	1994 -1999
OBJECTIVES (FM)	Outside of the regular system of ALMPs, <ul style="list-style-type: none"> <li>▪ To widen the scope and to improve the quality of active measures by supporting innovative pilot schemes</li> </ul>
IMMEDIATE OBJECTIVES	<ol style="list-style-type: none"> <li>1. To Improve effectiveness of ALMPs at the regional and local levels and to take advantage of funds granted to this sphere</li> <li>2. To support projects responding to local needs through local design and implementation</li> <li>3. To help officials in the MoLSAF learn about a decentralised, project-based funding system (Objectives 2 and 3 added by the evaluator as they correspond better, in his opinion, to what the project is aiming)</li> </ol>
PLANNED OUTPUTS According to F.M.	<ul style="list-style-type: none"> <li>▪ New instruments to be reflected in the legislation</li> <li>▪ Newly funded projects for regions and target groups</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Study produced on the training of Palmif co-ordinators (see note in previous fiche)</li> <li>▪ Jobs created (see below and in Annex III for details)</li> <li>▪ 19 Firms assisted</li> <li>▪ Persons (re)trained</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Recommendations to the PIU and the ATF to enhance PALMIF as a result of the training delivered to co-ordinators and aimed at enhancing its procedures and management.</li> <li>▪ 1 brochure on PALMIF</li> <li>▪ Reports and studies</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Lengthy by its very nature of consultative, tripartite stages lasting about 2 months for each round (two rounds a year), the project provides an efficient financing of active employment policies. The direct unit cost of employment creation is barely impossible to assess as there is no clear relation between the grant and the number of job places created (varies from 2 to 11 see annex) as a result of training costs included in the grant.</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Field visits witnessed to the welcomed assistance to applicant firms. There is little doubt about the validity of that sort of support to start-up enterprises and to job seekers. Interviews of two firms' managers, revealed that both plan to keep their Palmif-supported employees after the end of contract.</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Palmif has been unable to affect legislative changes in employment policy and mainstream policy despite the fact that such an objective is consistent with a situation of high unemployment.</li> </ul> <p>However the Palmif experience is positive in several respects:</p> <ul style="list-style-type: none"> <li>▪ Palmif has provided a wealth of experience over 7 years of existence in Slovakia from which the MoLSAF, the RLOs and the DLOs, the ATF and local partners have learned about project design, implementation and implementation;</li> <li>▪ Palmif has contributed to job creation in areas of distress and to training for population at risk;</li> <li>▪ It has leveraged both local and foreign resources and co-operation;</li> <li>▪ If NGOs or other institutions want or can pursue Palmif experience,</li> </ul>

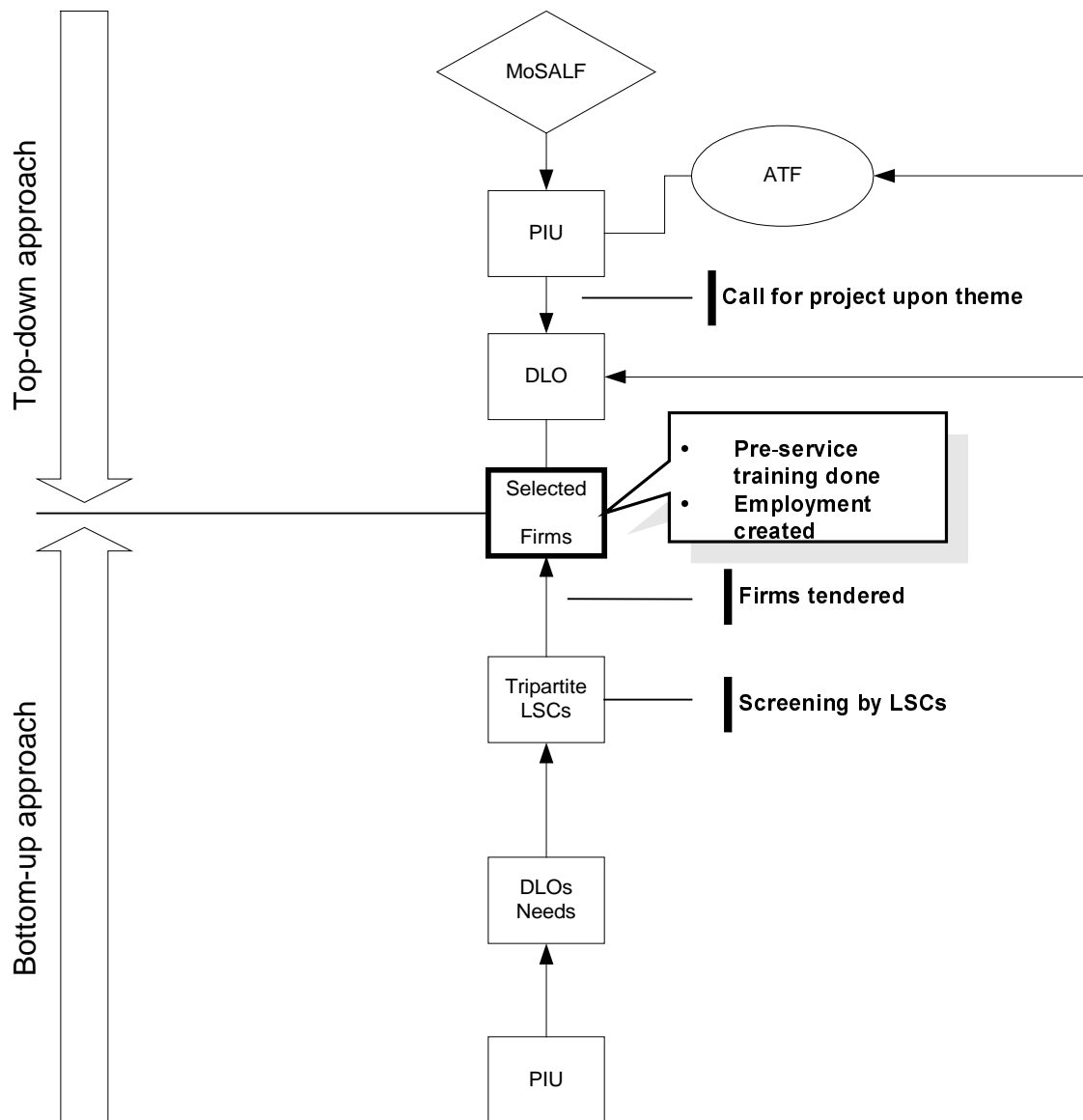
	MoLSAF's and ATF's know-how will be useful to help carry out this venture. However, it would be preferable to closely associate the National SME Agency from scratch to help provide appropriate training for the after-grant period in order to secure employment.
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Due to lack of government's support (25% of the project costs) and the (temporary?) blackout of EU financing, the Palmif is not sustainable (no replenishment of the Employment Fund (now included in the NLO))</li> <li>▪ Applicant firms might or might not be sustainable depending on local economic business cycle. Anyhow their future is out of hand because MoLSAF is not equipped to prolong its assistance to these firms whereas the national SMEs Agency, if associated from design, would have been more supportive of managerial skills to ensure sustainability</li> </ul>

	1-2 rounds*	3rd round*	4th round**	5th round**
1. Jobs created				
1.a Actual	439	177	76	152
1.b Current	202	151		
Persons (re)trained	n.a.	210	325	unknown
Firms assisted	12	9		
1.a Actual	12		8	11
1.b Current	8			
Short-term jobs created				
a. current		195		
b. actual		53		

\* Source Item 1.4 in Annex IV - These first three rounds were assessed independently by IBS Slovakia under SR-9408

\*\* Annex III

## PALMIF - Structure of project selection criteria and decision-making for 4-5 rounds



### Timeline of main tasks undertaken by DLOs and LSCs for firm applicants selection - drawn from the Palmif 5th round

- 1 Appointment of the DLO's Programme Co-ordinator
- 2 Selection of the LSC members
- 3 First meeting of the LSC (2 week-spell after step 2)
- 4 Submission of detailed proposals and preparation of the list of applicants
- 5 Developing proposals between DLO's Programme Co-ordinator and applicants
- 6 Applicants shortlisted after evaluation of proposals by LSC
- 7 Presentation and interviews of applicants before the LSC for final appraisal of projects
- 8 Decision-making : Selected projects submitted to PIU - evaluation committee to process the results from DLO - submission of projects to EU Delegation for approval
- 9 Contracts established to successful applicants (2-3 months after first step)
- 10 Firm guided by the Project management formed by the DLO and the LSC (2 years duration)
- 11 Programme evaluation and lessons learned from the experiment

### A-3. TRAINING AND RETRAINING

PROJECT	<b>Training and retraining (SR-9408.01.03)</b>
COST	€ 550,000
CONTRACTOR	FONTYS PTH Eindhoven, NL; FÁS Intern. Consulting Ltd, Dublin, UK
Start date and Completion date	12-97 11-98
OVERALL OBJECTIVES (ToR) based on F.M.	<ul style="list-style-type: none"> <li>▪ To establish a capacity for adult training and retraining to meet the needs of Slovak labour market clients</li> </ul>
SPECIFIC OBJECTIVES (ToR and Final Report) – Abridged	<p>To determine:</p> <ul style="list-style-type: none"> <li>▪ The extent of capacity for training and retraining that exists in SK</li> <li>▪ The extent of the current and future needs of Slovak labour market clients for training and retraining to enable the MoLSAF and the NLO to decide whether these needs can be met by existing institutions or by creating new ones</li> <li>▪ The regions in which these client needs are most prevalent and in which courses and their funding should be a priority (vulnerable groups and unemployed as a priority)</li> <li>▪ The quality and effectiveness of these tested training courses to enable MoLSAF and NLO to decide which courses may provide the best return on the funds invested.</li> </ul> <p>Finally, the project had to give answers to 29 explicit questions specified in the ToR mapping the current Slovak Adult training/unemployed retraining system.</p>
PLANNED OUTPUTS according to ToRs	<ul style="list-style-type: none"> <li>▪ Assessment of the (re) current training capacity</li> <li>▪ Training needs assessment for target groups and regions</li> <li>▪ Creation of centres of excellence</li> <li>▪ Answers to 29 questions specified in ToRs</li> </ul>
ACTUAL OUTPUTS (final report)	<ul style="list-style-type: none"> <li>▪ Final Report covering an excellent critical review of the 1996 Employment Act</li> <li>▪ Survey of Slovak training providers done</li> <li>▪ 7 Centres of excellence (created out of existing TPs tendered) targeted to vulnerable registered Unemployed Adult groups<sup>7</sup> in need of training or re-training (in Nitra, Banská Bystrica, Prešov, Trnava, Martin, Košice, Trenčín).</li> <li>▪ Pilot Courses delivered to the seven Centres of excellence's trainers</li> <li>▪ Taylor-made training delivery to centres of excellence</li> <li>▪ Project winding-down conference held with invited international experts</li> <li>▪ Delivery of teaching aids and other equipment to centres of excellence</li> <li>▪ Two study tours, one week-long each, to Netherlands and the Republic of Ireland</li> <li>▪ A generic model of ALMIs for labour market analysis elaborated covering 5 phases: design; implementation; evaluation; support set out to generate 25 Proposed Actions against EU best practice</li> <li>▪ Recommendation for the creation of two new institutions: <ul style="list-style-type: none"> <li>(a) a <i>National accreditation Authority</i> of national VET standard;</li> <li>(b) a <i>National Co-ordinating Body</i></li> </ul> </li> </ul>

<sup>7</sup> Amongst them: early-unqualified school leavers; long-term unemployed (+40 years old); women seeking to return to work; people with disabilities; Romanis.

INDICATORS of outputs	▪
EFFICIENCY	▪ The project is costly as it demanded both international expertise and local consultancy. It was carried out satisfactorily in a relatively short spell. Outputs are numerous and welcomed by the government.
EFFECTIVENESS Performance Achievement of results	▪ Thorough analysis which abounds with useful information and ideas of great interest for the NLO and the government as a whole.
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ The project generated a momentum at the NLO whose staff (especially the trainers) learnt a lot via its long-standing collaboration with the Phare experts. The Government has now some keys to strengthen durably its capacity to design, implement, evaluate and support training and retraining targeted to vulnerable regions and groups of population herein.</li> <li>▪ Recommendation for the creation of a National Accreditation Authority has been accepted which officially created the institution at present under the Ministry of Education.</li> </ul>
SUSTAINABILITY of outputs	▪ Public resources to undertake proposed actions might be beyond the sole government's financing capacity.

A-4. OCCUPATIONAL COUNSELLING AND CAREER GUIDANCE

<b>PROJECT</b>	<b>Occupational Counselling and Career guidance OCCG (SR-9408.01.04)</b>
<b>COST</b>	€ 90,000
<b>CONTRACTOR</b>	S&T Slovakia spol and Lithec s.r.o (for IT) Direct contracts
<b>Start date and Completion date</b>	03-97
<b>OBJECTIVES (FM)</b>	<ul style="list-style-type: none"> <li>▪ TA for the evaluation of a pilot testing of the model system in two districts (Nitrá and Spisská Navá Vés), support the further development of the Resource Centre and the dissemination of the career guidance system, following evaluation</li> </ul>
<b>IMMEDIATE OBJECTIVES</b>	<ul style="list-style-type: none"> <li>▪ To provide the NLO and its Regional and District Offices with an operational and cost-effective career guidance and counselling system to serve their client's needs</li> </ul>
<b>PLANNED OUTPUTS according to inception report</b>	<ul style="list-style-type: none"> <li>▪ To undertake an evaluation of the implemented pilot occupational counselling and career guidance system and the resource centre</li> <li>▪ Development and pilot testing of advisory programmes for risk groups and their implementation into the labour offices employees' training system</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ "Path to career" software tested in two DLOs and then extended to all DLOs and to some schools and counselling centres of the ministry of Education</li> <li>▪ Hardware and Software equipment delivered to the centres of OCCG at the eight RLOs (one in each region)</li> <li>▪ Audio-visual equipment, Videotapes on OCCG, TV monitors</li> <li>▪ Information material</li> </ul>
<b>INDICATORS of outputs</b>	<ul style="list-style-type: none"> <li>▪ Hardware and 5 custom made software existing and in use</li> <li>▪ Information system fully equipped and in use</li> </ul>
<b>EFFICIENCY</b>	<ul style="list-style-type: none"> <li>▪ Initial delays encountered because of the long-term illness of the Project Manager</li> <li>▪ Local contractors engaged to ensure that the capacity to update and maintain the OCCG system is readily and locally available to the MoLSAF and the NLO</li> <li>▪ Very good quality of custom made software produced by local contractor</li> </ul>
<b>EFFECTIVENESS PERFORMANCE</b> Achievement of results	<ul style="list-style-type: none"> <li>▪ Better client-oriented services rendered on labour market and educational opportunities to assist clients in making qualified decisions on labour market issues in five connected fields:: <ol style="list-style-type: none"> <li>1. Occupational information with a view to assisting clients to make decisions relative to labour market matters</li> <li>2. General information on job seeking matters to help clients for better orientation in labour market</li> <li>3. General information on starting business</li> <li>4. General information on the Education system</li> <li>5. General information on the re-training courses</li> </ol> </li> </ul>
<b>IMPACT</b> Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ RLOs equipped with the OCCG IT system reflects the greatest impact</li> <li>▪ MoLSAF and NLO mutually strengthened via the use of this powerful instrument</li> <li>▪ OCCG IT system put in place has direct effects on job-seeking and long-run effects on before orientation before starting a business and eventually on local and regional unemployment rates</li> </ul>
<b>SUSTAINABILITY of outputs</b>	<ul style="list-style-type: none"> <li>▪ IT system put in place generates unknown maintenance and hardware update costs</li> <li>▪ Unknown arrangements to update the databases in substance</li> </ul>

A-5. INTERNATIONAL LINKAGES

PROJECT	International linkages – <b>LEDA (SR-9408.01.05)</b>
COST	€ 70,000
CONTRACTOR	BSAL
Start date and Completion date	11-97 11-98
OVERALL OBJECTIVES (Final report)	<ul style="list-style-type: none"> <li>▪ To develop local capacity to tackle unemployment and social problems in a micro-region</li> </ul>
IMMEDIATE OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To motivate all the labour market participants ( community and municipal, plus national and regional) in the micro-region, in their search for local economic development solutions</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Micro-region of <i>Zeliezovce</i> selected because of its severe conditions of multiple deprivation and high unemployment and in bad need of appropriate policies</li> <li>▪ A <i>Local Economic Action Group</i> created and provided with training materials covering the development of local development strategies as well as scheme of the socio-economic profile, based on related Polish experience</li> <li>▪ Polish experts in local initiative programme for early know-how transfer from an area closely aligned to issues faced by <i>Zeliezovce</i></li> <li>▪ Study visit in Ireland (31-8 till 6-9-99) – 5 nationals and the EU</li> <li>▪ 1-day Workshop held in <i>Zeliezovce</i> organised by the <i>Lower Hron River Regional Association</i></li> <li>▪ <i>Zeliezovce</i> Development programme, prepared by the Hron Association in collaboration with Polish and Phare experts, aimed at guiding economic development in the area, to promote the area to potential investors and to lobby for funding</li> <li>▪ <i>Catch-Up Facility Proposal</i> prepared by Phare expert to secure funding</li> <li>▪ The final Report on the Local Employment Development Action</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ <i>Local Economic Action Group effective</i></li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Fairly efficient output as regards its cost of €70,000 for one year</li> <li>▪ Study of good value for money</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Study visit to an area selected as relevant to the rural use of the Leda project given the poor state of this area some years ago until both European funds were secured, used and active employment policies implemented</li> <li>▪ Greatest needs identified as business training and advice, incubator units and development finance</li> <li>▪ Unemployment rate of the Romanis would shrink only if more initiatives targeted towards employment projects for them</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Dissemination to other similar areas in Slovakia ensured as the <i>Zeliezovce</i> Development programme being taken as a model by the NLO (whose staff was heavily involved from start)</li> <li>▪ The Hron Association now a dynamic body in need of an executive capacity</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ <i>Catch-Up Facility Proposal</i> unsuccessful yet (to our knowledge)</li> <li>▪ Depends on the funding by the NLO especially for support to business start-ups in the form of workspace provision, training and business advice. Not known at the time of evaluation</li> </ul>

## A.6. ADVANCED METHODS ANALYSIS

<b>PROJECT</b>	<b>LMIS Advanced methods analysis (SR-9408.02.01)</b>
<b>COST</b>	€ 64,054
<b>CONTRACTOR</b>	BSAL, CIREM
<b>Start date and Completion date</b>	02-98 05-98
<b>OVERALL OBJECTIVES (FM)</b>	<ul style="list-style-type: none"> <li>▪ To provide an integrated LMIS with on-line connections to all employment offices under the Wide Area Network (WAN) which will be built up successively, but will be achieved only during the next decade</li> </ul>
<b>IMMEDIATE OBJECTIVES (OMAS report)</b>	<ul style="list-style-type: none"> <li>▪ To develop advanced methods of labour market analysis and statistics</li> </ul>
<b>PLANNED OUTPUTS</b> according to various work programmes	<ul style="list-style-type: none"> <li>▪ Refined labour market survey developed and pilot tested</li> <li>▪ Required legislation proposed</li> <li>▪ Translation of selected materials related to labour market information and analysis systems</li> <li>▪ Arranging and participating in seminars/workshops, symposia, conferences and training programmes</li> <li>▪ Advanced methods of analysis and manuals development to help MoLSAF and the NLO assess alternative relevant technical tools in the field of active and passive labour market policies</li> </ul>
<b>ACTUAL OUTPUTS</b>	<ul style="list-style-type: none"> <li>▪ Studies and reports produced</li> <li>▪ Development of new curricula using multi-media technology and active methods of teaching</li> <li>▪ Trainers trained and tested by foreign experts (CIREM) through individual presentation</li> </ul>
<b>INDICATORS of outputs</b>	<ul style="list-style-type: none"> <li>▪ Materials and various documentation left behind</li> </ul>
<b>EFFICIENCY</b>	<ul style="list-style-type: none"> <li>▪ Huge discrepancies between planned and actual outputs due to a re-allocation of funds from this project to the LANs (Planned budget: € 200,000) needed to equip the DLOs</li> <li>▪ High quality of output complementary to the other sub-projects</li> </ul>
<b>EFFECTIVENESS</b> Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ This is a good start but insufficient to explore satisfactorily all the potential of the information delivered by the communication network</li> <li>▪ Delays encountered in handling data and information between the main stakeholders</li> </ul>
<b>IMPACT</b> Changes in performance of the target institutions (Rating: 4)	<ul style="list-style-type: none"> <li>▪ Short-run impact is limited in view of the limited project scope</li> <li>▪ Long-run impact would depend on the (financial and institutional) capacity of the MoLSAF and the NLO to effectively exploit the know-how acquired by Phare-supported trainers on multi-media and active methods of teaching</li> </ul>
<b>SUSTAINABILITY of outputs</b>	<ul style="list-style-type: none"> <li>▪ This is a cheap item which would require more developments (potential outputs listed above are still valid) hence more resources to be in line with pre-accession requirements on the LMIS</li> </ul>



A-7. AUTOMATION OF DATA GATHERING IN EMPLOYMENT OFFICES

PROJECT	<b>LMIS Automation of data gathering in employment (SR-9408.02.02)</b>
COST	€ 767,046
CONTRACTOR	ALCATEL; ICL Slovakia
Start date and Completion date	Nov. 96 Oct. 98
OVERALL OBJECTIVE (FM)	<ul style="list-style-type: none"> <li>▪ To provide an integrated LMIS with on-line connections to all employment offices under the Wide Area Network (WAN) which will be built up successively, but will be achieved only during the next decade</li> </ul>
IMMEDIATE OBJECTIVES (OMAS report)	<ul style="list-style-type: none"> <li>▪ To implement communication network for the users of the LMIS</li> </ul>
PLANNED OUTPUTS according to work programmes	<ul style="list-style-type: none"> <li>▪ Limited number of DLOs and small number of hardware equipment to deliver to NLO and MoLSAF and local technical support and training to provide</li> <li>▪ LANs tested and monitored in selected DLOs then installed on the basis of ATF specifications</li> <li>▪ New functional characteristics of application software to elaborate</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Reinstallation of LANs including cabling and digital phone centres in 7 selected district labour offices on the basis of ATF specifications (11-97 till 10-98)</li> <li>▪ Delivery of Hardware, Software and NetWare components in DLO of Trnava</li> <li>▪ Reference installations presented in UK (11-96)</li> <li>▪ Study tour for computer staff of MoLSAF, NLO to UK to study a similar hardware and software system used for social benefits payments</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Field visit to the RLO Kosice</li> <li>▪ On-site observations</li> <li>▪ LANs installation supervised by the NLO's Department of Informatics</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Project carefully implemented with top firms as contractors</li> <li>▪ Professional equipment gear</li> <li>▪ Efficient training delivered on equipment to users and practitioners</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Better integration of types of information from multiple sources in charge of the LMIS (in addition to MoLSAF and the NLO, the Statistical Office, National Insurance Funds, the RILSAF, Institute of information and Prognosis)</li> <li>▪ Client-oriented LMIS designed to improve the level, quality, timeliness and speediness of information.</li> <li>▪ National coverage</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ MoLSAF and NLO have direct access to employment/unemployment data through LANs installed</li> <li>▪ Pilot centre in Trnava dedicated to be connected to EURES (that is a post-accession link to a trans-european network dealing with demand and supply of job vacancies)</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ LMIS expensive to maintain and update: public resources are reported to be earmarked for that purpose</li> <li>▪ Further development by MoLSAF and the World Bank foreseen at a later stage</li> </ul>

A-8. WAGES DETERMINATION AND STATISTICS

PROJECT	Wages determination and Statistics (SR-9408.02.03)
COST	€38,900
CONTRACTOR	TREXIMA Bratislava Ltd, Institute of Employment Research (Warwick Univ., UK)
Start date and Completion date	8-97 12-97
WIDER OBJECTIVES (FM)	<ul style="list-style-type: none"> <li>▪ Not explicitly mentioned</li> </ul>
IMMEDIATE OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To create KZAM 2000, a new Occupational classification system, for the Slovak Republic (as wages system depends on this classification) in the year 2000 for use in the planned 2001 Census of Population</li> <li>▪ To support the wage Department of MoLSAF by financing two study tours and purchasing computers</li> </ul>
PLANNED OUTPUTS	<ul style="list-style-type: none"> <li>▪ Development of new national occupational classification system</li> <li>▪ Seminars and Workshops to arrange</li> <li>▪ Two study tours to EU countries</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Four-day seminar on wages information systems and wages statistics arranged and implemented</li> <li>▪ Recommendations for a brand-new national occupational classification system adapted from the general purpose ILO ISCO-88 system, and to Slovakian needs</li> <li>▪ Final report</li> <li>▪ 1 Workshop</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ High-level technical workshop</li> <li>▪ Recommendations made</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Very good quality of paper presented</li> <li>▪ Good organisation of the workshop</li> <li>▪ World-class reputation of the UK team contracted</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ In Sept. 1999 Statistical Office of SR MoLSAF agreed to prepare a new Law on the occupational classification to be presented before parliament in year 2000.</li> <li>▪ In parallel, a project was prepared for financing in Phare 2000</li> <li>▪ Probable success of this project if financing ensured</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Impact only potential at this stage as it depends on financing and the passing of the Law on the classification of occupations: a planned 18-month inter-institutional venture requiring high-calibre experts</li> <li>▪ Long-run impact effects would lead to a revision of the wages determination</li> <li>▪ Contribution to the process of building the Complex Information System of the Social Sphere CISSS in the Slovak Republic</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Requires external financing and government commitment to pursue</li> </ul>

A-9. STAFF TRAINING: COURSES, CURRICULA DEVELOPMENT AND EQUIPMENT

PROJECT	Courses, curricula development and equipment (SR-9408.03.01)
COST	€ 400,000
CONTRACTOR	BSAL; Sunderland City Training and Enterprise council, UK; CIREM, Local firms: GRADIENT; HRD System SR; Partner Progress;
Start date and Completion date	1996 1998
OBJECTIVES (FM)	<ul style="list-style-type: none"> <li>▪ To support the installation of two training institutions outside the regular educational system in order to establish a capacity for training and retraining under the responsibility of the NLO</li> <li>▪ The NLO to apply modern methods, develop experimental projects independent from the market and disseminate them</li> </ul>
IMMEDIATE OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To develop training programmes in the training centres for the MoLSAF and the NLO staff.</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Courses for further training of trainers employed in employment services to be prepared, elaborated and implemented</li> <li>▪ To be prepared: special materials and self-teaching aids for Educational and Self-Teaching Centres for DLOs in the fields of employment and job search</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Development of new curricula and pedagogic documents in the form of portfolio and training video-programmes (€ 106,000 by local firm and one Phare consultant)</li> <li>▪ Training on software application in labour market data analyses (€ 15,000 by local firm)</li> <li>▪ 24-day professional training courses (principally done by 14 local experts (specialised in labour Office activity; System of Labour Office staff training, pedagogical aids)with the support of Phare expert condensing the experience of the Sunderland City TEC, The Northern Region of the British Employment Service in Newcastle, and other British and European organisations)) delivered to 12 NLO trainers (out of 25) on job-seeking courses</li> <li>▪ International Conference on employment staff training (25-28 May 98) awarded to local firm, the NLO being the guarantor of the subject. Local participants: members of MoLSAF, NLO university and training centres; Foreign: members of ministry of labour and employment services from the Czech Republic; Greece, Ireland, Hungary, Austria, Slovenia, UK.</li> <li>▪ Delivery of didactic and computer equipment into 7 NLO's training centres related to NLO including the Education Centre in Povazska Bystrica (€ 139,701 by local firm)</li> <li>▪ Study tour on employment services training in June 1997, Copenhagen (transfer of know-how in respective fields; illustration with the Swedish experience) - € 21,688 by Phare support</li> <li>▪ Membership of NLO in WAPES in 1997 issues</li> <li>▪ Studies and reports published</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Field visit at the Education Centre of Povazska Bystrica</li> <li>▪ Interviews of NLO and DLO officials</li> <li>▪ Cross-checks with available the 4 available studies and reports</li> <li>▪ ATF's important role in formation of project outputs through recommendations, qualified attitudes and application of the evaluation authority</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ High quality of output especially for training packages and equipment delivered</li> <li>▪ Project completed satisfactorily</li> <li>▪ Cost-efficient project as regards the increase of (managerial and client-oriented) skills acquired, and transfer of knowledge from Phare experts.</li> </ul>

	<ul style="list-style-type: none"> <li>▪ Good combination of Phare and local expertise</li> </ul>
<b>EFFECTIVENESS</b> Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Increased NLO staff managerial and client-oriented skills</li> <li>▪ High-quality know-how transferred to the system of Employment Service Staff Training</li> </ul>
<b>IMPACT</b> Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Training delivered by Phare-trained trainers to NLO and DLO staff in charge of attending: job seekers. Public funding reported to be available for this cascading training</li> <li>▪ The new team of 12 trainers and the management of training system of the NLO fully qualified and able to transfer their know-how and knowledge to concerned staff members</li> </ul>
<b>SUSTAINABILITY</b> of outputs	<ul style="list-style-type: none"> <li>▪ Trainers' training needs regular refresher courses reportedly to be financed by government</li> <li>▪ Training Centres' equipment and software costly to maintain and update and resources unknown yet</li> </ul>

A-10. INDUSTRIAL RELATIONS

PROJECT	Industrial relations <b>SR-9408.04.01-05</b>	<b>SR-9519</b>
COST	€ 227,000	€ 300,000
CONTRACTOR	BSAL	Berenschot EuroManagement (FC) – Kimbaum Development Services, Düsseldorf (Sub-contractor)
Start date and Completion date	2-97 31-7-97	1-7-98 30-6-99
OBJECTIVES (FM)	<ul style="list-style-type: none"> <li>▪ To strengthen social partners and their new role in industrial relations in close connection with the work of the social partners in the TPC</li> </ul>	<ul style="list-style-type: none"> <li>▪ The development and promotion of social dialogue               <ul style="list-style-type: none"> <li>-At the micro-national level</li> <li>- At the medium-level (regional and branch level</li> <li>- At micro-(enterprise) level</li> </ul> </li> </ul> <p>In accordance with social transformation process and with EU standards with efforts of Slovakia to harmonise the legislation in this field with the respective legislation applicable in the EU Member States (ToR)</p> <p>.</p>
SPECIFIC OBJECTIVES (Final reports)	<ul style="list-style-type: none"> <li>▪ To provide information and exchange experience about models and practice of tripartite and alternative forms of effective social dialogue from three EU Member States and three EU-associated CEECs in which tripartite models of conducting social dialogue have been successfully developed featuring similar elements as in the SR.</li> <li>▪ To enable representatives of the three social partners and the RHSD to gather direct information and review experience on tripartite and alternative forms of effective social dialogue and co-determination in two of the three EU Member States.</li> <li>▪ To assist the social partners evaluate experience drawn from EU Member States and CEECs</li> </ul>	<ul style="list-style-type: none"> <li>▪ To transfer and implement the basic logic of social dialogue to the political practices of regional and local actors and to find ways of co-ordination between national, regional and local levels</li> <li>▪ To find ways and modes to include other groups of actors than the traditional social partners (e.g. NGOs, interest representation of the unemployed) into this structure</li> <li>▪ To apply this logic to the broader field of employment development, job creation, (re)training, and related social policies</li> </ul>
PLANNED OUTPUTS According to inception report and F.M.	<ul style="list-style-type: none"> <li>▪ Expertise to be transferred to social partners through study tours, seminars, language courses, management courses</li> <li>▪ Reports from foreign and local experts on their activities to ATF</li> <li>▪ Field office staff of social partners informed of newly acquired expertise and information from sub-project activities</li> </ul>	<ul style="list-style-type: none"> <li>▪ Initial and final workshop</li> <li>▪ 2 2-day seminars and 2 study visits</li> <li>▪ Training for social partners at regional level</li> <li>▪ 4 14-day each Internships</li> <li>▪ Selection, translation and dissemination of documents</li> <li>▪ Assessment of opportunities to use IT</li> </ul>

		<ul style="list-style-type: none"> <li>▪ Publication of project results</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Final report Item 4.1 (see Annex IV)</li> <li>▪ 2 study visits in Netherlands and Belgium</li> <li>▪ 3 international seminars in Bratislava on transfer of know-how and best experiences from EU's countries to SR.</li> <li>▪ Final Evaluation Workshop on 9 July 1997 (incl. A presentation of the Hungarian model)</li> <li>▪ Final Report including project self-evaluation by 7 participants</li> <li>▪ 7 Recommendations related to <ul style="list-style-type: none"> <li>- enhancing effectiveness of work;</li> <li>- intensifying international co-operation;</li> <li>- the roles of Social Partners in social dialogue;</li> <li>- strengthening employees and employers organisations;</li> <li>- institutions of social dialogue;</li> <li>- harmonising internal strategies;</li> <li>- relationships to political parties.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ Inception and Final Report</li> <li>▪ Review of existing regional tripartite councils</li> <li>▪ Initial 2-day workshop (11-98) attended by representatives of 4 regions and of national Bodies (foreign experts invited: ILO, Germany, Contractor)</li> <li>▪ Study visits in Germany and Netherlands (21-28 Feb.); in Finland (11-18 April)</li> <li>▪ Seminar on "New forms of local partnership and responsibility – the Nordic view"(17-18 March ) – unknown number of participants</li> <li>▪ Two 2-day Communication and negotiation training sessions</li> <li>▪ 1 Internship (13 days for 3 participants in Germany to gather information, practice and experiences about the activities and effects of European works councils)</li> <li>▪ Final seminar (1-2 June) – role of social partners at regional level, limits of action and priorities (training for increased employability, job creation, dissemination of information)</li> <li>▪ 3 broad series of Recommendations related to: <ul style="list-style-type: none"> <li>- Partial re-design of policy-making structures to approximation of legislation in a pre-accession context</li> <li>- National Employment Policy to link regional social dialogue structures with industrial relations structures in order to provide a reliable social background for international investments</li> <li>- Strengthening social dialogue via increased communication flows, in quantity and quality, between the central states exchanges and regional social dialogue structures</li> </ul> </li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Interviews</li> <li>▪ Assessment of documentation available</li> <li>▪ Very often intangible outputs as there are not legislative text yet to support long-haul discussions, the bulk of the project</li> </ul>	<ul style="list-style-type: none"> <li>▪ Proceedings from each event available</li> <li>▪ 14 representatives of tripartite bodies visiting both countries</li> <li>▪ training sessions: 20 participants each from tripartite bodies and RLOs</li> <li>▪ 40 attendants to 2-day each 2 training seminars in Kosice and Donovaly</li> <li>▪ Proceedings from Final seminar (1-2 June) in Podbanské</li> </ul>

EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Delayed start linked with the appointment of a project manager</li> <li>▪ Work programmes 2-3 weak in showing work-in-progress (WP-4 says nothing)</li> <li>• Efficient mix of 1 EU Adviser; 1 Slovak Expert; and 1 Slovak Consultant (responsible for organisation and financial management)</li> <li>▪ Slow process by nature and outcomes not evident as they require maturation</li> <li>▪ Difficulty to allow assessment of the outputs achieved compared with costs: the project cost seems to be excessive with respect to outputs and project effective duration (also in comparison to the subsequent project)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Difficulty to allow assessment of some of the outputs achieved compared with Costs</li> <li>▪ Efficient mix of EU and Slovak experts fully-fledged in their respective fields</li> </ul>
EFFECTIVENESS PERFORMANCE Achievement of results	<ul style="list-style-type: none"> <li>▪ Final Evaluation workshop points to some generalities like: “Social dialogue only effective if consensus obtained among all parties on broad issues like social peace, if all parties were willing to compromise, and if they were committed to implementing concluded agreements.</li> <li>▪ Study tour effective as it allowed participants to understand the notion of "culture of negotiation", based on a network of negotiating bodies, support institutions and facilities to which all Social Partners contribute by providing financial and other resources;</li> <li>▪ Little training done through “active participation” in seminars</li> <li>▪ Objective too ambitious even despite delayed project start</li> </ul>	<ul style="list-style-type: none"> <li>▪ Objective regarding legislation too ambitious to be fulfilled in such short period: yet long way to go towards approximation of legislation</li> <li>▪ Dialogue established and fruitful between social partners</li> <li>▪ Training effective in showing how communicating and negotiating on matters on Social Partners’ common interest</li> <li>▪ can be fruitful</li> <li>▪ Fair combination of consultations, seminars and study visits without being able to determine the effectiveness of skills transfer for further regional action in the participants’ respective fields.</li> </ul>
IMPACT CHANGES IN PERFORMANCE OF THE TARGET INSTITUTIONS	<ul style="list-style-type: none"> <li>▪ Macro-level negotiations has the character of a general agreement ("gentlemen agreement") without being legally binding in any way and without defining sanctions for any party in case of non-fulfilment.</li> <li>▪ New model of Tripartism and collective bargaining still to come</li> </ul>	<ul style="list-style-type: none"> <li>▪ Project nevertheless paved the way towards the new act on Tripartism (which concerns economic and social partnership at national level), adopted by the Parliament in 2<sup>nd</sup> Quarter 1999. Equally foreseen: enforcement and institutionalisation of Tripartism at the regional and local levels (2000)</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ Good potential as the project was new in Slovakia but assistance still needed as exemplified by the subsequent phase pointing to decentralisation</li> </ul>	<ul style="list-style-type: none"> <li>▪ Phare assistance still needed for approximation of legislation to the acquis</li> <li>▪ Ever-increasing needs for adapting mentalities and culture towards social dialogue</li> </ul>

A-11. AUDIT, EVALUATION AND MANAGEMENT

PROJECT	The PIU (since July 1999, PMU previously) <b>(SR-9408.05.01)</b>
COST	€ 378,559
CONTRACTOR	ENTERPRISE PLC, UK
Start date and Completion date	17 months of international expertise
GENERAL OBJECTIVE (ToR)	<ul style="list-style-type: none"> <li>▪ To enhance the capacity of management and programming</li> <li>▪ To strengthen the implementation of the Phare LMDP</li> </ul>
IMMEDIATE OBJECTIVES	To help the MoLSAF and concerned institutions achieve the immediate objectives of the LMDP, as regards audit, evaluation and management, that is: <ul style="list-style-type: none"> <li>▪ To enhance the capacity of management and programming and</li> <li>▪ To strengthen the implementation of the Phare LMDP</li> </ul>
PLANNED OUTPUTS	
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Work programmes &amp; Progress reports &amp; Final reports</li> <li>▪ Several Guidelines (roles and responsibilities of ATFs' members, Assessment of Bid proposals, Rating sheets for the evaluation of proposals, ToR (Steering Committee, projects and activities)</li> <li>▪ Major contributions to the preparation of the COP 97, the NPAA and attendant F.M.</li> <li>▪ Training done by foreign expert to PIU staff on EU regulations, Structural Funds, managerial and organisational issues</li> </ul>
INDICATORS of outputs	<ul style="list-style-type: none"> <li>▪ Improved skills and knowledge in using the new technology upgraded (hardware and software, LANs, e-mail, internet, immediate access through LAN to requested databases)</li> <li>▪ Upgraded skills and knowledge of the staff in the use of the new hardware and software</li> <li>▪ More efficient preparation of work programmes and component activities</li> <li>▪ Improved system of administration</li> <li>▪ Improved teamwork and services to PIU clients</li> <li>▪ 8WP (5-9408+3-9519), 1 final report and relevant recommendations for future action</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ As regards progress reports and final reports produced and after checking against work done in two of the regions concerned, the PIU staff and its TA were highly efficient in managing in a relatively short period the rather complex LMPD programme despite many changes of PMU directors and long delays resulting from the disease and eventual death of one project manager and time lost in search for his replacement</li> <li>▪ Work programmes of uneven quality making sometimes difficult to assess work-in-progress</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Better communications with Phare participants</li> <li>▪ PIU very effective in contributing to produce outputs listed in other fiches and in pushing forward, as far it could, the use of the majority towards the programme's objectives</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ ATFs' roles and responsibilities improved and strengthened</li> <li>▪ MoLSAF, NLO, RILSAF, TPC strengthened substantially</li> <li>▪ Relationships strengthened between the MoLSAF, the NLO, the Ministry of Education, the Social Insurance Agency and their Social Partners</li> <li>▪ PIU capable to administering structural funds under a Preparatory Programme designed to make these funds available to countries which have not as yet acceded to the EU</li> </ul>



SUSTAINABILITY of outputs	PIU staff fully skilled: <ul style="list-style-type: none"><li>▪ To offer accession-driven expertise to the MoLSAF and other ministries</li><li>▪ To become subject matter experts on the use and application of structural funds after training received in Lancashire county, materials received and twinning with similar units in Scotland and other EU member States and through e-mail and internet connections.</li></ul>
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## B. The Social Sector Programme

### B-1 INFORMATION SYSTEM OF STATE BENEFITS

PROJECT	<b>Information system of state benefits (SR9518 01)</b>
CONTRACTOR	CRI, SOFTEC, ERAS DATA
Start date and Completion date	11-1995 7 –1998
WIDER OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To rationalise the social welfare system while containing costs and improving services</li> </ul>
SPECIFIC OBJECTIVES	<ul style="list-style-type: none"> <li>▪ To create and implement the information system of social assistance and social support in line with provisions under the new legislation.</li> <li>▪ To centralise payments of all state benefits in one place in order to simplified the service for customers</li> <li>▪ To develop a comprehensive view on social benefits in order to target them better.</li> <li>▪ The new software will also include complementary registration for children, old age persons, handicapped persons in accordance with the degree of the handicap</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Establishment of a new information database for social assistance and state support</li> <li>▪ Appropriate software written and implemented</li> <li>▪ Computer hardware delivered and installed</li> <li>▪ Information system delivered, operating and functional</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ 3 level-software for state supporting finance monitoring was conceived This software was tested in two locations (MOLSAF and District 4 Bratislava)</li> <li>▪ Another software (GEOSIS) was conceived for evaluating data on the base of their geographic layout over the whole SR. This software is used in Nitra centre for the requirements of different services giving a perfect presentation for evaluating distribution of benefits or social problems</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Field visit and presentation of software</li> <li>▪ Documents and reports</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Software of good quality (simple and appropriate) at reasonable cost</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ The new software for management of state benefits is still considered as an exercise for training and modelling</li> <li>▪ The design of the software was part of the process to make partners aware of the one shop system</li> <li>▪ This software is supposed to strengthen the district level but it is still used mostly t the central level (policy indication, presentation of social situation)</li> </ul>
SUSTAINABILITY of outputs	<ul style="list-style-type: none"> <li>▪ This software will be able to be adapted to the reform of social protection system (new allowances)</li> <li>▪ Public commitment to introduce this software in most districts during next year. However, will enough public funds be available to buy the necessary new equipment and to implement training?</li> <li>▪ New legislation is not yet introduced with uniform standards. One shop system needs still organisational reforms</li> </ul>

B-2 DECENTRALISATION OF SOCIAL SERVICES

PROJECT	<b>Decentralisation of social services (SR9518 02)</b>
CONTRACTOR	DHV, Institute for Personnel assistance, NGOs
Start date and Completion date	1-1998 8-1999
OBJECTIVES	<p>Wider objective</p> <ul style="list-style-type: none"> <li>▪ To decentralise the delivery of social services by sub-delegation/contracting out of public responsibilities to NGOs on a pilot and experimental basis.</li> </ul> <p>Specific objectives</p> <ul style="list-style-type: none"> <li>▪ To improve legislative framework for social welfare</li> <li>▪ To increase involvement of NGOs in social service delivery</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Management structure for funding NGOs properly functioning</li> <li>▪ Regional pilot units of innovative practice established in 5 districts and operating</li> <li>▪ Mobile training units operational and staff trained</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ 11 innovative projects have been developed with NGOs</li> <li>▪ 2 Combi club cars for wheel chair users transport are used</li> <li>▪ 2 study visits in Netherlands</li> <li>▪ International seminar of Personal assistance Institute of Independent living (Sweden)</li> <li>▪ 3 Reintegration centres have been established in Bratislava, Banska Bystrica and Kosice, appraisal in accordance with changes in legislation</li> <li>▪ A pilot supervisory training organisation for staff dealing with autistic children with the Day care Institute of Prof Matulay. (11 people attended a one-week program )</li> <li>▪ Training of 39 trainees in Sept. 97 for special needs in day care. training manuals, training in Budapest, teaching aids</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Field visits and interviews</li> <li>▪ Number of handicapped people taken in charge with innovative practice (directly for 30 but influence on more than 500)</li> <li>▪ Number of NGOs supported (more than 10)</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ limited supported (around 20 000 Euro per project) was especially efficient because of the motivation of NGOs staff</li> <li>▪ Very judicious selection and good quality monitoring system</li> <li>▪ The efficiency would have been even better if the same monitoring system was used at a broader scale</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Difficult to achieve real organisational change with so limited number of initiatives and small scale budget</li> <li>▪ The civil society is just emerging but has still a limited absorption capacity</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Development of NGO network and improvement of their capacities</li> <li>▪ <b>Influence public service toward new concepts of support (especially the promotion of the "personnel assistance concept") and new kind of relation with NGOs</b></li> <li>▪ Involved the disable persons and their family to tackle their problems</li> <li>▪ Change of attitude toward handicapped people</li> </ul>

<p>SUSTAINABILITY of outputs</p>	<ul style="list-style-type: none"> <li>▪ Capacity of NGOs to collect private funds remains limited</li> <li>▪ <b>Proposal of future fund for social service need sufficient budget to have a threshold effect</b></li> <li>▪ Modification of the law and administrative organisation are necessary to increase and facilitate public funding to NGOs</li> <li>▪ The civil society might request increase of benefits, which is not always compatible with budget constraints. Political choices have to be made between targeting support with means tested and uniform compensation of handicaps</li> </ul>
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B-3 TRAINING IN THE SOCIAL SECTOR

PROJECT	<b>Training in social sector (SR9518 03) and (SR 9305)</b>
CONTRACTOR	PERSONNEL (Czech Republic)
Start date and Completion date	11-1995 6 –1999
OBJECTIVES	<p>Wider objective</p> <ul style="list-style-type: none"> <li>▪ To approximate EU Standards concerning training of social workers</li> </ul> <p>Specific objective</p> <ul style="list-style-type: none"> <li>▪ To develop the in- training system within MOLSAF</li> <li>▪ To establish a training and information centres for all social workers</li> <li>▪ To assess and to promote minimum standards</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Model centres established and functioning for in service training</li> <li>▪ Training and information centre established and functioning</li> <li>▪ Minimum standards for social work established, approved and used</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ A model centre has been elaborated with complete description of organisation, activities and training curricula</li> <li>▪ Analysis of qualification and training requirement of social workers (sample of 29 social workers)</li> <li>▪ Comparative studies of social work in Western countries</li> <li>▪ 6 persons took a study trip in UK and 6 in Netherlands to visit institutions providing education</li> <li>▪ Several seminars and language training</li> <li>▪ Co-ordination Council for Minimum standards established in Nov 1994</li> <li>▪ A study group was set to prepare the establishment of Minimum standards in Social work. A seminar on post-gradual education in the social work and minimum standards was held from 29 nov-1 Dec 1998</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Document produced and recommendations</li> <li>▪ (Unknown) number of people trained</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ The work of technical assistance and the mobilisation of expertise in the MoLSAF was impressive</li> <li>▪ It is difficult to evaluate the efficiency of training system, which is not yet implemented.</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ The quality of conception of this training system generally accords with European standards and the concern to deal with public servant as well as social worker of other private or non-lucrative sector.</li> <li>▪ The training system for social work was conceived but because of limited public funds, it was only partially implemented. All the information centres were not established. The structure is often in place but need more operating budget to be fully working</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Innovative activities developed in other projects were facilitated by the global impact of this conceptual work. These training improve the support of public services especially in the field of work with handicapped persons.</li> <li>▪ A survey would be necessary to assess the use of numerous training in various fields. No data base to provide statistic on the numerous people trained and to develop a network between them.</li> <li>▪ The impact on the new legislation is a long term process</li> <li>▪ <b>Elaboration of a detailed project of a National Education Institute to guide educational and information centres for social workers operating at regional level</b></li> </ul>

<b>SUSTAINABILITY</b> of outputs	<ul style="list-style-type: none"><li>▪ Problem of timing with equipment and software provision</li><li>▪ <b>The training had been originally planned for the context of a new legislative framework and this framework is still to be confirmed</b></li><li>▪ Problem of duplication with the staff training for the Labour market. Effort of co-ordination will reduce costs</li><li>▪ These propositions have to be taken into account in the whole careers of public servants. This requires important reform of the public service system.</li></ul>
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B-4 POLICY CO-ORDINATION AND INTER-INSTITUTIONAL

PROJECT	<b>Policy co-ordination and inter-institutional linkage (SR9407 01 and SR9305)</b>
CONTRACTOR	BIRKS SINCLAIR, BASYS, IESE
Start date and Completion date	11-1995 11 -1998
OBJECTIVES	<p>Wider objective</p> <ul style="list-style-type: none"> <li>▪ To facilitate the economic and social reform process by establishing an effective and efficient Social Insurance system compatible with the macro-economic policy</li> </ul> <p>Immediate objective</p> <ul style="list-style-type: none"> <li>▪ To determine the roles of the government and of social insurance agency in order to promote a social dialogue and mutual confidence</li> <li>▪ To establish the method of co-ordination between the SIA, the MOLSAF, MF and HIA.</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ To create and develop an inter-institutional mechanism with tools for financial and information flows, standardised information and reporting system</li> <li>▪ To facilitate co-operation through field trips and seminars</li> <li>▪ To improve policy regulation through working groups and training</li> <li>▪ To propose a method for drafting, adopting and implementing business plans of health insurance</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ A lot of propositions based on the analysis of the general economic situation</li> <li>▪ General information on the existing Slovak system and analysis of the various possibilities concerning the way of financing the Health sector</li> <li>▪ Academic work on redistribution mechanism</li> <li>▪ Seminar with various Health insurance Companies in May 1998</li> <li>▪ EU/Slovak Social Insurance Conference in June 1998</li> <li>▪ Study tours in Latvia, UK, Holland, Italy and Hungary</li> </ul>
INDICATORS OF OUTPUTS	<p>Final reports</p> <p>Interviews of partners</p>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ Difficult to measure the efficiency in the field of policy</li> <li>▪ A lot of Technical assistance was mobilised but key decisions were seldom linked with specific recommendations</li> <li>▪ Organisational aspects of seminars and field trips were satisfactory</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Most of propositions were too general and cannot be directly applied</li> <li>▪ no recommendations on reducing costs</li> <li>▪ The “technical committee” was not set up</li> <li>▪ Lack of co-ordination with some projects or subprojects, particularly the two most important ones : CCDB and Strategic Business Plan</li> <li>▪ The SIA was poorly associated in the participation of the conference</li> </ul>
IMPACT Changes in performance of the target institutions	<ul style="list-style-type: none"> <li>▪ Usual information was collected and help authorities on strategic choices</li> <li>▪ The impact on policy issue is in the long-run. Sensible progresses were made by SIA but it is difficult to attribute them to this support.</li> <li>▪ The control of MoLSAF is still not very well defined</li> <li>▪ The co-ordination did not improve sufficiently because the project itself did not develop good working relations with all partners</li> <li>▪ A comprehensive act on Social protection is still on preparation and institutions have still to rely on scattered regulations</li> </ul>

<b>SUSTAINABILITY</b> of outputs	<ul style="list-style-type: none"><li>▪ Important change of the context (new government after election of Oct 1998) and unstable situation concerning health insurance require adaptation of the work</li><li>▪ The Health sector was ousted from the SIA. The ToR concerning Health insurance has been transferred under the control of the Ministry of Health. This strong separation is considered as necessary to the strengthening of SIA but might in the long run create problems for clients</li></ul>
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B-5 INFORMATION SYSTEM OF THE NATIONAL INSURANCE COMPANY

PROJECT	<b>Information system of the National Insurance company (SR9305 and SR9407 02)</b>
CONTRACTOR	PARADIGMA
Start date and Completion date	11-1996 11 -1998
OBJECTIVES	<p>Wider objective</p> <ul style="list-style-type: none"> <li>▪ To design a central client Based Database in order to strengthen the SIA management of financial and information flows</li> </ul> <p>Specific objectives</p> <ul style="list-style-type: none"> <li>▪ To facilitate the introduction of a comprehensive, integrated information environment for the social security purposes</li> <li>▪ To design a new contribution system including client individual accounting and therefore greatly improve cash flow management and control</li> <li>▪ To facilitate the claim processing and claim determination by giving both central institutions and regional offices instant access to relevant data. From a client perspective, it is expected to speed up claims determination and payment processing</li> <li>▪ To enable SIA to introduce and exercise a more rigid controls for example in the area of sickness and invalidity benefits. Duplication of claims and benefits delivery should be eliminated</li> <li>▪ To help formulate policy options and changes with a wide range of executive programs</li> </ul>
PLANNED OUTPUTS According to inception report	<ul style="list-style-type: none"> <li>▪ Assessment of data storage and collection needs across all institutions</li> <li>▪ Detailed plan incorporating the design and scope of a new CCDB</li> <li>▪ Detailed specification of required equipment</li> <li>▪ Decision making analyse on the ownership of such a system</li> <li>▪ - Appropriate training</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ .The technical specifications to be used for the envisaged tender</li> <li>▪ a concise analyse of IT system currently in use in SIA</li> <li>▪ the logical data model delineating the content and describing the structure of the central client register</li> <li>▪ recommendations for a consistent IT architecture across the organisation</li> <li>▪ a high level business process model describing processes considered strategically important</li> <li>▪ migration aspects identifying and resolving conversion issues form today's application and data to tomorrows system</li> <li>▪ a proposal to introduce magnetic cards to identify insured persons at any point of service in the future</li> <li>▪ Study tours in Dublin, Vienna and Finland</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Final report</li> <li>▪ Interviews</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ The elaboration of the software was of good quality taking into account the requirement of each partners</li> <li>▪ Good co-operation with the Business Plan</li> </ul>
EFFECTIVENESS	<ul style="list-style-type: none"> <li>▪ The final report with the CCDB IT system was presented, tested and approved</li> <li>▪ The technical specifications can be used in the subsequent tender without requiring major changes and enable SIA to select the best proposal</li> <li>▪ With the logical data model SIA has at its disposition a single source of reference in all current and future application development projects and expected to contain the cost of application development</li> <li>▪ Because of timing problems, training could not use the CCDB which was not finished but training provides a lot of information and transfers some know how</li> </ul>

<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<ul style="list-style-type: none"> <li>▪ Because it is not used, it is too early to appreciate the impact</li> <li>▪ The consultations of every partner for elaboration of software were a step toward a more client oriented attitude</li> <li>▪ Foreign experts shared with their counterparts their technical expertise in the areas of modelling, process design, and system analysis and security considerations.</li> <li>▪ A few keys people in MOLSAFS are using the ESTEEM Model</li> </ul>
<p><b>SUSTAINABILITY</b> of outputs</p>	<ul style="list-style-type: none"> <li>▪ The design is resilient with regards to legislative changes and will not be affected by territorial-administrative changes</li> <li>▪ Only magnetic card is proposed and not the chip card which is promoted in the EU pilot project Cardlink. This solution might be considered as too elaborate but will facilitate technological change</li> <li>▪ The implementation of this CCDB requires an enormous budget. Previously a World Bank loan was planned for that but the negotiation still continues with the new government</li> <li>▪ If this system is not implemented soon, it will quickly become obsolete. Was it possible to propose a less ambitious system and to budget at the same time its implementation? Partial or step by step implementation will be expensive.</li> <li>▪ The SIA is requesting a new model for social expenditures, as it seems that the ESTEEM model does not answer to its needs.</li> </ul>

B-6 STRATEGIC BUSINESS PLAN FOR SOCIAL INSURANCE AGENCY

PROJECT	<b>Strategic business plan for Social Insurance Agency (SR9407 03)</b>
CONTRACTOR	PERSONNEL/ BIRKS SINCLAIR
Start date and Completion date	3-1996 6 -1999
OBJECTIVES	<p>Wider objective</p> <ul style="list-style-type: none"> <li>▪ Develop an action-oriented business plan for the SIA which will assist it to achieve its aims and objective</li> </ul> <p>Specific objectives</p> <ul style="list-style-type: none"> <li>▪ An action program for maximising the operational capacity of SIA and which will cover the following areas : administrative cost control; service to clients; maximising contribution revenue; contribution compliance; information flows management</li> </ul>
PLANNED OUTPUTS according to inception report	<ul style="list-style-type: none"> <li>▪ Develop strategies and operational plans to improve the collection of contributions</li> <li>▪ Develop a management information system to enable SIA management to monitor and measure business activities</li> <li>▪ Identify training and resources needs and prepare the design and delivery of training programs</li> <li>▪ Identify necessary legislative changes that may be needed to enable business objectives to be carried out and advice on such changes</li> <li>▪ Set up a budgeting system, which will provide financial information on the efficiency of each function Examine current auditing procedures and propose amendments</li> <li>▪ Establish monitor and feedback mechanism to assess results of the business Plan and targets</li> <li>▪ Produce income/expenditure data for dissemination to MoLSAF and MF for publication</li> <li>▪ Training</li> <li>▪ Field trips</li> </ul>
ACTUAL OUTPUTS	<ul style="list-style-type: none"> <li>▪ Restructuring of the Director General sector, of the economic sector, and of the sector for information management. Management of funds was separated form management of administrative cost financing. Financing was separated from operational economics.</li> <li>▪ Presentation of a technical project for improving management of contribution collection and a new system of co-ordinating cash flow and information flow.</li> <li>▪ Introduction of accidents insurance in the new bill within the frame of social insurance in all 36 branch offices</li> <li>▪ Development of a legal service in SIA</li> <li>▪ Development of public relation department (information service, international activities, presentation of annual report)</li> <li>▪ Proposition for a creation of a Development Research Units</li> <li>▪ Project Top ten for training of top management (in Sweden) several workshops</li> <li>▪ Field trip in Germany and UK</li> </ul>
INDICATORS OF OUTPUTS	<ul style="list-style-type: none"> <li>▪ Annual report, Financial situation</li> <li>▪ Collection rate</li> <li>▪ Interviews</li> </ul>
EFFICIENCY	<ul style="list-style-type: none"> <li>▪ An efficient long term External advisor and a few short term consultancies</li> <li>▪ Difficult to assess overall efficiency of many different interventions which brought additional support to the management of SIA</li> </ul>
EFFECTIVENESS Performance Achievement of results	<ul style="list-style-type: none"> <li>▪ Development of a client oriented attitude and a business like management</li> <li>▪ Good collaboration between different department and good integration of CCDB</li> <li>▪ Improvement of human resources even if training were too short and reach not enough people</li> </ul>

<p><b>IMPACT</b> Changes in performance of the target institutions</p>	<ul style="list-style-type: none"> <li>▪ The SIA plays an important role while administrating the amount of about 90 billions SK which is roughly 40% of annual state budget</li> <li>▪ The SIA will be in charge of collection of other payrolls which demonstrates its managerial efficiency and good reputation</li> </ul>
<p><b>SUSTAINABILITY</b> of outputs</p>	<ul style="list-style-type: none"> <li>▪ This technical assistance is a long run work. The duration of the project was too short</li> <li>▪ Interventions were focused on collection of revenue. In the long run, an efficient distribution of benefits ensure also sustainability through public confidence. The process of pension assessment and first payment needs still improvement</li> <li>▪ Global financial equilibrium was preserved until this year. With the ageing structure of population and the delay of payment of the state contribution, pension funds is in the red for the first time this year</li> <li>▪ The regular payment of pensions is a prerequisite of the economic and social stability</li> </ul>

### ANNEX III ROUNDS OF THE PALMIF PILOT PROJECTS

The Palmif Project has followed an experimental *top-down* (T/D) approach to test nationally applicable tools; And a local or *bottom-up* (B/U) approach to target unmet needs at the local level. Firms' managers interviewed by the Evaluators are asterisked.

Firms	Grant €	Round #	Jobs created	Related Training and other issues	2-year contract ending
STP Comex	49000	4th B/U	20 new jobs for a revitalisation of production and repairing.	Provides some qualification for the project's workforce	01/10/1998
Community Hrušov	46000	ditto	15 linked to countryside tourism development	Aims at countryside development	ditto
SOU Papierenskéé	20000	ditto	4	416 workers retrained in welding	ditto
7P, s.r.o.	34500	ditto	15	100 workers re-qualified in computing operations as per employer's requirements in direct placement	ditto
Actoris System	50000	4th T/D	19	Preparation and delivery of new re-qualification courses and training of practical skills for young women back to work after maternity leave	ditto
IBIS, s.r.o.	49000	ditto	4	Preparation and delivery of new retraining courses for 200 school leavers, women after maternity leave, long-term unemployed	ditto
Partner Progress	40000	ditto	3	Re-qualification courses for 100 unemployed (youths, school leavers and disabled people)	ditto
Tyr-Centrum	11000	ditto	8	Specific courses for unemployed disabled people and Specific advice to 25 disabled people	ditto
T & T	20000	5th B/U	2	Preparation & realisation of specific (re-) training courses for the unemployed	12/09/1999
*Kravis	20000	ditto	10	Production of charcoal and non-toxic cement powders	16/09/1999
*Tesco Computers	20000	ditto	10	Training and retraining of school leavers	ditto
Prako Priruby	20000	ditto	11	Production of metal elements for automobile industry needs	ditto
Chemosvit	20000	ditto	13	Production of hosiery from polypropylene silk waste	17/09/1999
Zastrova	20000	ditto	15	Steel welding and machine services	ditto
CL Trend	20000	ditto	20	Production of incendiary motors	28/11/1999
Gest	20000	ditto	20	Production of globular turbines SETUR	16/09/2000
Stomil Sanok Slovakia	50000	5th T/D	11 new sheltered job places	In hotel services for unemployed or school leavers disabled people	11/06/1999
Šlapák Ján – Keramika Kubo	50000	ditto	10 new sheltered job places	To develop and exploit the art skills of disabled people	11/06/1999
*Abel Plus, s.r.o.	50000		30 new sheltered job places	Goat milk production in a goat farm	ditto