



CONCEPT NOTE

Local Economic and Employment Development in Albania and Kosovo

A Pilot Project

1. Context

A decade of conflict across the Western Balkan region was followed by international support for reconstruction of basic infrastructure, housing and establishment of the necessary frameworks for transformation to market economy.

The countries of the region are still experiencing high unemployment, low incomes and poor social infrastructure.

Many communities dependent on large state factories, heavy industry and socially owned enterprises are now marginalized in the economic arena coupled with under-investment in economic and social support infrastructure adds to further social and economic exclusion.

While efforts are being made by central governments to put in place the necessary policies and support instruments to address economic recovery and unemployment, impact at local level has been slow to develop.

This project addresses capacity building of local development agents in economic development and job creation in two countries of South Eastern Europe: Albania and Kosovo.

2. The EU dimension

EU Heads of State committed themselves to integration of the countries of South Eastern Europe into the European Union¹. Further discussion on the next phase of EU enlargement is expected at the European Council Meeting in Thessaloniki, 20-21 June 2003.

The Stabilisation and Association Process (SAP) - the contractual arrangement between the EU and each country in the region - provides the political and financial support framework for countries in the region to prepare for accession to the EU. To date, two SAP agreements have been signed with the EU: Croatia and FYROM. Others will follow once they have achieved the necessary progress on reform.

Countries which intend to follow through on the policy for integration into EU structures will be expected to undertake political, democratic and economic reforms as well as ensure that good governance structures are in place which will allow the countries to meet up to conditions of entry into the EU.

Experience from existing candidates for EU accession is that local and regional governance structures are still extremely weak to effectively deliver on development plans. The lesson is that capacity building of sub-national governance structures should start early in those countries with ambitions to join the EU.

And governance hinges on citizenship. This is demonstrated in the thrust towards greater involvement of citizenry in EU policy developments and implementation arrangements. The role and contribution of all those involved in economic development and employment promotion at local level will be critical in ensuring that national economic plans and employment strategies are realised.

This project borrows on these policy signals – local capacity, citizenship and social and economic inclusion – in the bid to promote economic development, tackle unemployment and ensure that local communities are able to make more timely and effective decisions to enhance economic growth, competitiveness, employment and social inclusion.

¹ Santa Maria da Feira European Council. June 2000.

3. Local economic and employment promotion – partnership building

Experience from EU Member States and wider OECD countries demonstrates that local solutions to economic development, employment creation and poverty reduction can be very effective in addressing local problems by way of partnership building.²

This project will support the development of pilot partnerships in 2 municipalities (one in Kosovo, the other in Albania).

The project will consider how locally-based, bottom-up pilot initiatives can encourage local communities to find solutions to their own employment problems but as a part of wider economic development process at local level.

4. Target groups

Local development initiatives must involve many different public and social actors such as employers, community and voluntary organisations, NGOs, trade unions, training centres, education authorities and SME support institutions.

National policy makers will be involved as well, to ensure that Ministries are informed, consulted and able to disseminate the project's outcomes to other regions.

Donors may be associated with the projects but will not feature within the partnerships. Local ownership will be central to ethos of the project.

5. Aim and objective

The aim of this project is to contribute to economic development, employment creation and social inclusion in South Eastern Europe by way of innovative policies, strategies and measures in selected municipalities for replication to other areas in the region.

The objective of the project is establish a model framework and tools for local partnership building and to determine the effectiveness of local partnership building as a feature of local governance in addressing local economies and jobs, borrowing on practice and experience from the EU and transition economies.

6. Outputs

The project will have the following key outputs:

Local partnerships: establishment of 2 community partnerships for local employment and economic development (LEEDAK) in selected municipalities in Albania and Kosovo;

Partnership learning process – capacity building: enhanced understanding of why and how employment and skills promotion should be integrated into local economic development plans and the roles and responsibilities of each stakeholder in that process;

Partnership portfolio: guidelines and working tools to assist the partnerships in ensuring employment and skills are integrated into the local economic planning cycle, including mandates and responsibilities for each partner (municipality, employment services, training providers, business support institutions, civic interest groups, community organisations, etc.)

Implementation plan: strategic plan and work programme, with detailed capacity building measures of each LEEDAK partnership including costing arrangements and possible donors for implementation in a second phase;

Networking: partnership co-operation as a basis for wider municipal networking and exchange on local employment and economic development within EU and OECD networks for further knowledge sharing and exchange of experience

2 e.g. Ireland's development of local area partnerships; the "patti territoriali" in Italy and specific experience from transition economies e.g. Russia's Perm Region.

Dissemination: diffusion of knowledge, competences and learning tools developed in the project to other countries in the SE Europe region (FYROM, Serbia, Bosnia Herzegovina, Croatia).

7. Activities

The following activities are foreseen within the project:

Dialogue and consultation: dialogue with key ministries in each country to ascertain interest, political support, working arrangements and role of government departments in local project;

Start-up meeting: key stakeholders and international partners; agreement on approach, role of different parties, planning and timing arrangements, steering committee;

Expertise: contracting of 2 experts with broad track record in local economic development, industrial restructuring and SME development, employment creation, community development including 'third' sector, skills' promotion and social inclusion;

Selection process: Selection of municipalities for participation in project (local competition, selection criteria to be defined); LEEDAKAK groups will include representatives from the competent municipal economic planning departments, employment services, training providers, business support institutions, community organisations, social partners, NGO, etc. The two EU experts will train the group in the techniques and mechanisms for local development projects;

Seminar: Introductory workshop and case studies: possible ESF, OECD, ILO experiences;

Exposure visits: 2 mixed groups (Albanian, Kosovar) will visit one country/region/locality for exposure to better practice in partnership building (economy and jobs); each municipal group will delegate up to 8 participants to each visit. The study visits are an important part of the capacity building of the LEEDAKAK groups.

Training: Joint Albanian and Kosovar training sessions.

- a) Cross referencing between teams involved in learning visits
- b) Partnership building, mechanics and success factors
 - assessing needs,
 - establishing priorities,
 - elaboration of local development strategic plans and operational programmes,
 - fund raising,
 - implementation,
 - monitoring and evaluation.
- c) introduction to logframe project management

Toolkit: Based on the above, the elaboration of draft operational guidelines and tool kit for local partnerships, including protocols/agreements detailing commitments and responsibilities of individual partners; case studies as learning tools;

Plan: Each LEEDAK partnership will elaborate on (or if the case may be to develop from scratch) a local economic development plan with costing arrangements and clear definition of institutional responsibilities and conditions with particular referenceto employment creation and skills promotion;

Dissemination: Local dissemination of plans and partnership tools to fellow municipalities and regional seminar.

Implementation: Dialogue with central government and donors as to support for implementation of each LEEDAK plan.

8. Project Implementation arrangements

The ETF Country Managers of Albania and Kosovo will co-ordinate the project implementation in cooperation with the National Observatory of Albanian and the Employment and Skills Observatory of Kosova.

All procurement will be undertaken by the local observatories.

9. Viability and sustainability

A number of factors promote the viability and sustainability of the project:

- project is based upon a continuous process of consultation with key stakeholders at central and local levels;
- project will borrow on better practice and experience from similar projects in EU and transition economies;
- pilot projects will allow national policy makers to test innovative strategies and measures to support economic and employment development;
- potential follow-up support from EAR 2003 programme for local employment generation (Kosovo) and Italian Government support for Albania.
- enhanced capacities in local partnership for jobs and economic growth for transfer to other municipalities.

10. Budget

Total budget available for the project is €200,000.

11. Implementation and timing

A project logframe will be elaborated for each project as a function of local dialogue and decisions. Logframe will need to respect overall timing plan (attached in annex).

Timeframe will depend on local dialogue and agreements. However, all funds should be committed by 31 December 2003. All activities should be completed by 31 March 2004 with accounts closure by 31 April 2004.

12. Programme Manager

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Annex 1. Local Economic and Employment Development in Albania and Kosovo

ACTIVITY	PROJECT PERIOD										
	May 2003	June 2003	July 2003	August 2003	September 2003	October 2003	November 2003	December 2003	January 2004	February 2004	March 2004
	1	2	3	4	5	6	7	8	9	10	11
In country dialogue process	■										
Start-up meeting - Pristina ALB, KOS, ETF, EAR, OECD,ILO	■										
Agreement with local counterparts		■									
Procurement of experts * †		■									
Selection process of the municipalities * †			■								
Seminar and case studies * †					■						
Parallel Exposure visits * IRELAND, RUSSIA						■					
Training - Tirana * † • info and cross referencing between exposure teams • log-frame training • LEEDAK planning							■				
Tool kit development								■			
Elaboration of each LEEDAK plan							■	■			
Peer review of draft tool kit * †									■	■	
Final Conference * †											■

* Possible co-operation and inputs from OECD

† Possible cooperation and inputs from DELnet.