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Mid-term review

Enhancing Youth Employment

6 to 15 November 2014

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Executive Summary

This is the report of the mid-term review of the "Enhancing Youth Employment" (EYE) programme, funded by SDC and implemented by a consortium of Helvetas Swiss Intercooperation and Management Development Associates. EYE's implementation phase, which was preceded by a preparation and an inception phase, runs from 1.1.2013 to 31.12.2016. The project applies the Making Markets Work for the Poor (M4P) approach, which means it uses facilitation to achieve lasting change in market systems.

The review was conducted by Roel Hakemulder, between 6 and 15 November 2014. Its overall objective was to assess programme progress in terms of its strategic orientation and performance and to provide recommendations for improvements in the areas identified as most critical.

Summary of findings

<u>Project design</u>: The project's goal is "To increase the employment opportunities of the young women and men going out from VET schools and universities and facilitating their transition from school into the workforce". To this end, it aims at systemic change in the labour market that benefits young women and men, with regard to improving supply (outcome 1: more relevant skills for young people), demand (outcome 3:more jobs created by lead and young growing enterprises) and job matching and career guidance (outcome 2). An Opportunity Fund is included to support activities not planned that contribute to the changes the project aims at. The approach is sectoral except for job matching and career guidance, where market players do not operate on a sectoral basis. The selected sectors are ICT, agro-business, construction and private health services. Due to its focus on key weaknesses in the labour market, the project's basic design is coherent and sufficiently focussed.

<u>Relevance</u>: Goal and design remain highly relevant in Kosovo, given the high unemployment rate among youth (55%) and continued indications that those aspects of the labour market EYE addresses are among the main causes. The choice of sectors is also overall appropriate, though construction is now undergoing a contraction and may no longer be a priority. Partners and other stakeholders interviewed for the review confirmed the high relevance of the changes the project is facilitating.

<u>Use of the M4P approach</u>: Overall the project's approach has been well in line with M4P principles and practice, and especially strong in partner selection and creating ownership over interventions. Partners and other stakeholders nearly unanimously ranked the project among the very best they had experience with. Its main weakness has been the lack of market system analysis using the M4P framework. As a consequence, it is not always clear whether interventions address underlying causes of market underperformance, though they do tackle constraints the research identified. Most significantly, who will finance improved or new market functions has not been sufficiently addressed initially, though with experience this is now improving.

The project team understands its facilitation role well, and acts accordingly, with some minor exceptions where direct support was provided. More thought needs to be given to whether some of EYE's facilitation functions could in fact become (sustainable) market functions: development of demand-driven training, formation of groups of young growing enterprises for access to services, and developing demand for and supply of Human Resources Management (HRM) business services for lead (large) firms.

Implementation: Of the ten main interventions, seven are largely on track in terms of implementation and indicators, with some delays which are unlikely to affect final results. This presumes the project will be able to address financial sustainability issues around internships and career guidance. Improving private sector advocacy capacity saw EYE undertaking a skills gap analysis itself. The intervention to stimulate demand for and supply of HRM consultancies has resulted in just a few lead firms using the services. Access of young entrepreneurs to business services is significantly delayed.

Systemic change and scale: Interventions that show early signs of resulting in systemic change are the establishment of Industrial Boards for public-private dialogue at the University of Prishtina, development of demand-driven training, and job matching through private sector portals. Establishment of an Education Management Information system still has to be realised, but is then likely to be a systemic change. Improving the services of the Public Employment Services (PES) looks promising but depends on the results of a pilot. Whether systemic change will be realised in career counselling and internships depends on development of viable business models. Young entrepreneurs gaining access to business services is in an early stage of implementation while skills gap analysis as the basis for private sector advocacy towards training providers is unlikely to succeed due to the small number of viable associations and their inability to pay for skills gap analysis. Lead firms gaining access to HRM consultancies has not resulted in systemic change and the feasibility of change in this market is likely to be low.

Scale is promising for most interventions that are likely to achieve systemic change, and has already been demonstrated by a private sector job matching portal. EYE still needs to develop viable strategies for bringing change to scale for several of the interventions.

Overall, the Opportunity Fund is playing a useful role in providing EYE with flexibility in funding proposals that have potential to contribute to its objective of systemic change.

Women and minorities: The project is undertaking worthwhile interventions for women and minorities, and progress is being made in mainstreaming these themes. However, it lacks a proactive, systematic and systemic approach in this regard. This is rooted in the absence of targets and disaggregation in the logframe and of analysis of relevant constraints in market systems.

Progress towards outcomes and goal: Overall EYE is likely to achieve its targets, depending on improvements in some of the interventions, especially with regard to financial sustainability. So far this is doubtful, though, for creation of jobs (outcome 3), where 2,000 jobs is unrealistic. Redesigning the lead firm intervention and scaling up of the young entrepreneurs intervention could still make significant achievements possible. The indicators for the goal do not facilitate assessment of change that can be attributed to the project.

Implementation set up and management: This is effective overall, with regard to the composition and capacity of the consortium, management and the team. The two-tier management structure (project director, project manager) has lost some of its relevance as a result of the growth in capability of the manager and the team. Gender expertise is a weakness overall. The Monitoring and Measurement of Results (MRM) system is largely in place but requires a full-time staff member.

Relations with Promoting Private Sector Employment (PPSE): The two projects share information and invitations, but there is scope for synergies which should be exploited.

Summing up, the project is largely on track and its overall strategy is sound. However, several interventions and other aspects of implementation need to be improved to position EYE to fully achieve its outcomes. The report provides detailed recommendations and the summary below is not comprehensive.

Summary of recommendations

Recommendations on interventions:

1. Skills Gap Analysis and advocacy: Reconsider the project strategy to develop the advocacy market system for the private sector in relation to training providers.
2. Education Management Information System: Consider an intervention to enhance the chances that the information provided by the EMIS is used by market players.
3. Internships and counselling services:
    a. Support development of viable business models and plans to fund internships and counselling.
    b. Consider the need to support strengthening their institutional basis.
    c. Develop an appropriate scale strategy.
4. Demand-driven training:
    a. Limit support to development of new or improved courses.
    b. Do a market system analysis of the private sector training market.
    c. Consider ways for training providers to engage more effectively the private sector as part of a strategy to improve the advocacy market system (recommendation 1).
    d. Consider whether support to development of better courses could be a market function EYE can be developed or design another strategy to have training providers design new courses without project support.
5. Improving PES: Consider the need to facilitate dialogue with employers.
6. Enable Lead Firms to invest in opportunities in targeted sub-sectors by better access to HRM business services:
    a. Assess the current pilot thoroughly before proceeding in other sectors.
    b. Depending on results, continue with present strategy but clearly define the expected systemic change and the roles of market players, including the already existing Business Consultants Council, or completely redesign.
7. Young growing companies:
    a. Speed up implementation, possibly through the use of more co-facilitation.
    b. Consider whether formation of groups to access or provide services could become a market function.
8. Opportunity Fund:
    a. Improve scrutiny of the extent to which proposals may contribute to systemic change
    b. Promote the fund more widely.
9. New sectors: Consider expansion into new sectors (already agreed on for demand-driven training) where this enhances the potential for systemic change and scale that will benefit young people – in internships, lead firms and young entrepreneurs.

Other recommendations:

10. Logframe: Rationalise and adjust some of the indicators and targets, including for benefits to women and minorities, as specified in the report.

11. Gender and minorities:
    a. Take a more proactive and systemic approach to gender mainstreaming and addressing constraints on minorities in the labour market, including through better research and analysis.
    b. Increase the team's capacity and capabilities in these areas.
12. Collaboration with PPSE: Implement concrete measures to improve sharing, realise synergies and collaboration (some suggested in the report).
13. Management: Improve EYE's efficiency as well as effectiveness by:
    - Shifting the project director's role towards the strategic level, and delegate more decision making authority to the project manager and outcome managers.
    - MRM: Complete the system and have a mock-audit conducted by the Donor Committee for Enterprise Development.
    - Appoint a full-time MRM manager.

Acronyms

BCC	Business Consultants Council
CEED	Centre for Entrepreneurship and Executive Development
DCED	Donor Committee for Enterprise Development
EMIS	Education Management Information System
EYE	Enhancing Youth Employment programme
HEP	Higher Education Provider
HRM	Human Resources Management
ICT	Information and Communication Technology
LMI	Labour Market Information
M4P	Making Markets Work for the Poor
MDA	Management Development Associates
MEST	Ministry of Education, Science and Technology
MLSW	Ministry of Labour and Social Welfare
MOU	Memorandum of Understanding
MRM	Monitoring and Results Measurement
PES	Public Employment Service
PPSE	Promoting Private Sector Employment programme
PU	Prishtina University
SCO	Swiss Cooperation Office (Kosovo)
SMEs	Small and Medium size enterprises
STIKK	Kosovo Association of Information and Communication Technology
VET	Vocational Education and Training

1. Introduction

This is the report of the mid-term review of the "Enhancing Youth Employment" (EYE) project, funded by SDC and implemented by a consortium of Helvetas Swiss Intercooperation and Management Development Associates. The project's current implementation phase runs from 1.1.2013 to 31.12.2016. It was preceded by an inception phase and a preparation phase, of which the latter lasted six months. The project applies the Making Markets Work for the Poor (M4P) approach, also known as Market Systems Development.

The review's overall objective was to assess project progress in terms of its strategic orientation and performance and to provide recommendations for improvements in the areas identified as most critical. Concretely the review was to:

- Assess the programme's strategic orientation, relevance of the approach in the given development/transition context.
- Assess the proper handling of M4P analytical framework and the likelihood of significant scale, employment and income generation of the corresponding intervention strategies, and the perception of the implementer by relevant stakeholders (public and private market players), also in relation to ensuring local commitment and ownership.
- Assess the appropriateness of the implementation set-up, with regard to a proper understanding of the facilitator role.
- Provide recommendations for improvement in case needed on the 3 dimensions mentioned above for the remainder of the current phase (TOR's full objective and key questions in Annex 1).

The review was carried out by Roel Hakemulder, an independent consultant, between 6 and 15 November. Fieldwork was carried out in Prishtina (programme attached in Annex 2). It comprised:

- Briefing and debriefing at the SCO.
- Meetings with project management and the entire team.
- Intensive reviews of interventions with EYE staff, on the basis of presentations prepared for this review, and individual interviews.
- Interviews with co-facilitators/consultants.
- Interviews with key partners in the private and the public sector.
- A focus group discussion with career counselling officers (who partner with the project)
- Interview with UNDP, which collaborates with the project.
- Discussion with the complementary SDC-funded Promoting Private Sector Employment project.

While not all partners could be met within the limited time available, all interventions were represented, and key players were met.

The report structure follows the project development cycle as well as EYE's impact logic. That is, it moves from the relevance of the overall initial design (Chapter 2), to an assessment of the approach the project has taken with reference to M4P (3), consideration of progress on implementation of the interventions and the extent of coherence and focus (4), the extent of and potential for systemic change and scale (5), mainstreaming of the gender equality and minorities theme (6), and progress towards outcomes and goal (7).

This is followed by consideration of the project's implementation set up and management (8) and finally a brief conclusion and a set of recommendations (9).

Given that this is a mid-term review and impact at the outcome and goal level cannot be expected to be strong therefore, the focus has been on consideration of systemic change.

I am very grateful for the excellent support of the project's management and team, the intensive programme they prepared, data processed and provided, the excellent presentations, availability at all times, and openness and constructiveness in discussions and interviews. I also much appreciate the discussions with and inputs from the SCO, and the contribution of project partners and other stakeholders.

2. Relevance

2.1 Design

EYE's goal is:

> To increase the employment opportunities of the young women and men going out from VET schools and universities and facilitating their transition from school into the workforce.

To this end, it is expected to:

- Increase the relevance of young men and women's skills to business in targeted sectors.
- Improve matching services and career guidance.
- Stimulate investment into business opportunities in selected sectors that create jobs.

The project is therefore expected to result in improvement in the demand, supply, and matching aspects of the labour market, specifically for young people.

The project uses the M4P approach, which means it uses a facilitative approach to achieve lasting change in market systems. These changes are specified in its outputs.

- Relevance of skills should be achieved by: The private sector influencing education and training providers; effective internship systems; and private training providers offering more demand-driven courses in selected sectors.
- Matching services and career guidance: Profitable matching services offered by private businesses; the Public Employment Service (PES) providing better services; more and better career guidance.
- Job creation: Enabling business to invest in business opportunities in targeted sectors; and young growing entrepreneurs accessing business services.

The approach is sectoral except for job matching and career guidance, where such a focus is not appropriate given the nature of the market and market players, who do not operate on a sectoral basis. The selected sectors are ICT, agro-business, construction and private health services.

This design has been refined, with approval of SDC, to include public training providers in the development of more demand-driven courses and allow the inclusion of other sectors in this intervention. This is appropriate as public training providers also have potential (and motivation) to offer such courses, and the focus on the four sectors limits the scope for scale unnecessarily.

Enabling businesses to invest in targeted subsectors was adjusted in 2013, in order to define what market system change was expected to achieve this and to ensure that EYE's work would have a human resources focus and not overlap with the complementary PPSE project (which aims at job creation only). This meant the project aimed at improving lead firms' access to HR consultancies. While conceptually this was an apt adjustment, as we will see it meant the project is facilitating change in a market in which the feasibility of systemic change is low.

The project includes an Opportunity Fund, which, in the words of the project document, "will serve to contribute to the goals of the EYE programme by stimulating specific short interventions". It will "finance initiatives pertaining to existing areas of interventions… which were not foreseen under outputs and activities and respective budget lines" (page 22). It is meant to follow the M4P approach and take into account the objective of wider systemic change.

Due to its focus on key weaknesses in the labour market, the project's basic design is coherent and sufficiently focussed. While Opportunity or Challenge Funds have become common in M4P projects, they entail risks in terms of reducing coherence and focus and pressure to spend. A recent Donor Committee for Enterprise Development (DCED) paper on Matching Grant schemes (which are similar) states they are grounded in a different "world view" than M4P. They are based on businesses' ideas rather than market systems analysis and the focus is in "getting things done" rather than progress towards systemic change[1]. The paper is optimistic, though, on the potential for complementarity. While, based on my own experience, an M4P project is better off with more funds for facilitation and under core outputs and activities, in principle the Fund does not detract from the overall validity of the design.

2.2 Is this relevant?

The Swiss cooperation strategy for Kosovo (2013-2016) and EYE's project document provide a clear rationale for the focus on reduction of youth unemployment and working towards a more effective labour market system. This rationale is still valid. Compared to the 2009 estimates quoted in the project document current unemployment appears to be lower: 45% then, 35% (28% male, 40% female) now and 73% among youth compared to 55% now[2]. This is still the highest in the region and in Europe. Moreover, the inactivity rate is also high, at 63%, reflecting job seekers dropping out of the labour market. GDP growth is higher than for most West European countries, at an expected 3.4% for 2014, but this is not likely to be sufficient to reduce unemployment significantly. Reducing unemployment has high Government priority, as reflected in the draft Employment Sector Strategy 2014-2020 and its action plan.

[1] DCED, 2013
[2] Kosovo Agency for Statistics, 2009 and 2012 Labour Market Surveys

The constraints in the market systems EYE addresses have also not lost in relevance, as confirmed by the project's own research. Young graduates from the education and vocational training systems remain unemployed:

- Because there are few job opportunities as enterprises do not grow sufficiently.
- Many do not have the required skills because schools do not teach them, and other opportunities to obtain them are limited. The skills mismatch and the need for better Labour Market Information were again confirmed in the latest EU Progress Report on Kosovo[3].
- Qualified job seekers and employers do not find each other in the market, as indicated by unfilled vacancies, employers recruiting not well-qualified staff through informal channels, and qualified young people remaining unemployed.

The labour market context has seen some improvements, for instance with new legislation for public employment services (establishing an Employment Agency) and for internships, and more widespread use of the internet (a precondition for job matching portals). Donors have largely withdrawn from subsidising internships, which has increased incentives to adopt sustainable models. Leadership changes in some municipalities have created new dynamism. These changes have enhanced the environment for EYE's work rather than reduced its relevance, improving the chances of success.

Partners in the public and private sector I interviewed, other stakeholders and subject experts (consultants) confirmed the relevance of the changes the project is facilitating. Where concrete achievements had been achieved, these were confirmed to be relevant. Partners confirmed the need for the project's support, that its work was relevant specifically to their own goals, and expressed commitment and appreciation.

In conclusion, EYE remains highly relevant and is seen to be so among a wide range of players in the economy.

3. Project approach

This chapter considers the extent to which EYE has made appropriate use of the M4P approach.

3.1 Selection of market systems

Efforts were made in the inception phase to select sectoral market systems that have:

- Relevance for the target group of young women and men in terms of employment.
- Potential for growth, including for generation of employment for young people.
- Potential for intervention, i.e. high feasibility of the project intervening, with a focus on whether skills were a main constraint on growth and employment.
- Crosscutting themes, i.e. potential to employ more women and members of ethnic minorities.

[3] European Commission, October 2014

This resulted in the selection of agribusiness, ICT, private health services and construction. The other market system the project works in is for job matching/career counselling.

The research, as reflected in sector scoping and selection documents at least, is relatively superficial and there are few traces of the crosscutting themes having been given serious concern. For instance, employment figures are not disaggregated by sex and the assessment of relevance to minorities is the same for each sector.

Based on other analysis (the pre-feasibility study for PPSE and earlier USAID project studies) the choice can be considered appropriate in terms of the two main criteria, potential for employment growth for young people and skills being a main constraint.

Meanwhile the construction sector is undergoing a contraction due to a government crackdown on illegal building. It would be prudent to await the results of this, or, as suggested by the project document and discussions with the project, to consider related niche markets such as maintenance, or possible energy efficiency and material production. The exclusion of private healthcare from the PPSE project might also have implications for EYE, which need to be clarified by SDC. As we will see in the chapter on systemic change and scale, there may be a need to consider new sectors in order not to limit scale unnecessarily.

3.2 Research and analysis

EYE has done a significant amount of research to base the interventions on. Some of this was done in-house, for others consultants or firms were selected. The volume of research done seems rather large and earlier in 2014 studies and intervention design still appeared to hold up implementation. This has been overcome. Interventions have come on stream and the project is better aware of precisely what it needs to know and the small number of studies still being carried out or planned are focussed on this. Such research will continue to be necessary as over time the project covers more sectors (now limited to ICT and agro-business) and as interventions may have to be redesigned, brought to scale, or added to. Suggestions for additional research are included in this report.

Much of the research work is of high quality. It does not, however, use the M4P analytical framework. For instance, the Centre for Entrepreneurship and Executive Development's (CEED) report on Human Resource Organization within Businesses in Kosovo (October 2013) in preparation for developing human resource management (HRM) consultancies[4], provides a good needs analysis of companies (and a weaker assessment of consultants' needs), but does not look into the market system for consultancy services or flag the critical distorting effect donor subsidies have on it. The report on internships (Vjosa Mullatahiri, March 2014) is an inventory of schemes rather than an analysis. Even a recent TOR, for the assessment of the regional market for job matching services, does not use a framework that draws on M4P. For a new TOR for research on the construction market system this is expected to be different.

The research does identify a range of constraints. However, as the result of the insufficient use of the M4P analytical framework, it is hard to judge whether the underlying causes of such constraints

[4] The project refers to Human Capital Development. For the sake of easier recognition of the acronym I will use HRD and HRM (management).

have been identified. In particular, the critical issue of financing (e.g. of internships, career counselling) is insufficiently brought forward.

The team has, however, been increasingly strong overall in using these studies in its own analysis, as reflected in recent intervention concept notes, intervention plans, and in presentations that were prepared for the present review. Generally these apply M4P analysis and indicate a good understanding of the causes of constraints on growth. For instance, that dialogue between education providers and the private sector is at the root of improving relevance of skills is well-identified and understood. So are the causes of the low quality services of the PES, i.e. weak internal performance appraisal and training systems. The need to address financial sustainability is also being recognised increasingly.

The recently developed Strategic Plan for the Career Development Centre of the University of Prishtina (draft), developed with support from Management Development Associates, is a good example of the use of M4P analysis and it does emphasise funding as a "large problem" (page 10).

3.3 Intersecting markets

In its analysis the team has also considered relevant intersecting markets, as also done in the project document. While the project's core market exchange is between employers and potential employees, weaknesses in this exchange are caused by:

- Underperformance of the education and training market (outcome 1), which in its turn is rooted in the ineffective "market" for advocacy (dialogue).
- Weak performance in the job matching services market (outcome 2), largely due to weaknesses on the service supply side.
- An ineffective market system around business services (outcome 3).

This is appropriate and reflects the project design and analysis done. For outcome 3 analysis could have resulted in consideration of further intersecting markets (e.g. training and other support for consultants), but the project document offers little scope for this. It could, though, have resulted in a better understanding of how difficult a market this is and formulation of a clearer "vision" for this market. An analysis of the training market system could have helped in a similar manner (see the section on systemic change).

3.4 Intervention design

The M4P framework requires interventions to work towards a realistic future "vision" of the selected market system; address constraints that underlie the difference between the current situation and that vision, to the extent feasible; build on the incentives and capacities of market players and strengthen these as necessary.

All EYE interventions are based on a future vision of the relevant market systems, included in concept notes and intervention plans, though the statements of this vision are often obscured by simultaneous descriptions of project strategy ("the project will" rather than "in an improved market system the market players will").

This includes use of the M4P "sustainability matrix" which states in table format what the functions of market players are now and "who pays" for them to perform these functions, and how this will be in future. This is key to how "realistic" the future vision of the market system is. From the concept notes and intervention plans it is not always clear what level of analysis has gone into this, though discussions with team members indicate a good measure of awareness of the issues. Possibly unrealistic expectations include:

- Business Membership Organisations (associations or Chambers) paying for and business service providers doing skills gap analysis
- Enterprises paying for training needs analysis
- Secure funding of internships and career counselling
- Training providers paying for development of training packages and employees paying for training
- Roles of market players and funding of their functions in improving HRM in lead firms – among others, it is unclear why firms should pay for increasing skills of consultants and marketing their services

The market system vision for HR business services depends to some extent on the continuing presence of donors who subsidise such services. While this is against M4P principles it is probably realistic in the Kosovo context. Donors are and will probably continue to be important market players and taking this into account is justifiable.

Incentives, or in the project's language, driving forces, for market players to adopt innovations are also considered in intervention design. These range from the tangible (e.g. profit for private job matching services, private training providers, enterprises who gain better qualified employees or improve their HRM and systems) to the less tangible or more indirect (a better image for education providers, new legislation that mandates changes – e.g. PES, and votes for politicians who support policies that aim at reducing unemployment). This is in accordance with M4P thinking.

However, the analysis may have assumed too easily that when there are driving forces market players are willing and able to pay for or fund new services. E.g. internships and counselling services require funds, including from the government. Although everyone agrees these services are important, whether funding becomes available or students are willing or able to cover some of the cost is uncertain. Most young people would probably agree that better skills will improve their chances to earn an income, but whether they are willing or able to pay for training is still another matter. The fact that the majority of trainees in project-facilitated courses did not pay a fee confirms this.

What plays an important role here is what the M4P approach call the "history" of the context in which the project is working. This is characterised by education and training being considered a public good with the government as provider, and pervasive distortion of skills and consultancy markets by donors. Several of the concept notes for interventions describe this as the "attitudes" of market players, including consumers. Attitudes are changing, as indicated for instance by the presence of many private training institutes, and EYE can contribute to this. They do change slowly, though, and this context will continue to be a challenge for the project. It cannot be ignored in intervention design.

One of the strengths of the project is its flexibility in adapting interventions to issues as they are being encountered during implementation. This has resulted in the "who pays" theme becoming increasingly prominent in various designs compared to initial analyses and designs made. The interventions therefore increasingly include development of "sustainable models" or "business models" (for career counselling and internships), though for some others this is still missing. This will be indicated when we consider the interventions.

The project has been very strong in taking a consultative or participative approach to intervention design. It has worked together with partners to assess needs and define what action was to be taken and conducted a number of consultative workshops that contributed to intervention design. While M4P projects are not necessarily "participatory" in approach, this has served EYE well. It has resulted in a better understanding of market systems and partners' incentives than initial studies provided. It has also had a direct effect on the shape interventions have taken.

3.5 Partners

Partners are key to the success of M4P interventions, as they are being supported to improve their role in market systems or take on new functions. EYE's interventions are designed to have market players in the lead, as expected in an M4P project. A good example are the improvements at PES, where the MLSW and PES itself are the key partners, and the Ministry feels for the first time it is in control and is, also for the first time, coordinating donor support (EYE, UNDP, the European Commission).

While some M4P projects select partners through a competitive tendering process, EYE's more informal approach has been to select them carefully, mostly "hand-picked", on the basis of their present functions in market systems, capacity, and motivation to adopt innovations. Research done, more or less detailed capacity or needs assessments (e.g. of PES), and detailed discussions with prospective partners provided the basis for this.

In some cases partners partly self-selected themselves, as when of the three main private job matching service providers in Kosovo who visited such a provider in Bosnia and Herzegovina, two decided to proceed with the project. Prishtina Municipality approached the project with a proposal for a Career Guidance Centre and an outsourcing Hub. Several private sector training providers (e.g. the American University of Kosovo) also took the initiative to approach the project. In the case of PES the choice was determined by its position as the only public sector job matcher.

It is common for M4P projects to see public sector market players as partners of last resort. Innovations with the private sector can build on the profit motive and become sustainable commercially. EYE has a wide range of partners in the private and the public sector, the latter ranging from national level agencies, Universities and Ministries to municipalities. Given the project's mandate in the labour market system, where the public sector plays a key role, this is unavoidable and appropriate. It does, however, impose additional challenges with regard to sustainability, given the limited public funding available and incentives that are generally weaker than the commercial one. As the project's experience shows, interventions in the private sector show results sooner.

For one intervention no partner could be identified. A skills gap analysis in the agro-business sector was carried out by the project itself, as no viable association or Chambers could be identified. The Faculty of Agriculture of the University of Peja was joint presenter of the report and now officially owns it, but this is not a body for private sector advocacy, which the study was meant to inform. The project now works together with a number of interested individual firms, which weakens the systemic impact.

While due to time constraints I was not able to meet most partners, I was impressed by the commitment and positive approach of those I did meet, including where I had not expected this (e.g. PES). This is not only due to the appropriateness of the partners and relevance to them of the interventions, but to the project's consultative and participative approach too. Many partners are not aware of the project using the M4Papproach, or being a "facilitator". This is not essential for good partnerships. What is important is that many (public and private) referred to the positive experience of the project not coming with a "blueprint" or set plan but genuinely working together with them; contrasted this with the approach of other projects; and ranked EYE as among the top or the top project they had experience with, in spite of the lower level of cost-sharing offered. The level of ownership over interventions is high, which bodes well for sustainability.

The capacity of the selected partners is generally also strong (e.g. private job matching portals) or a main focus of the intervention (e.g. PES, career counselling, internships). Where partners with low capacity were selected they are usually in the public sector and fulfil key functions that are historically Government funded. This is appropriate.

3.6 Facilitation

Overall, EYE has consistently acted the role of facilitator in the design and implementation of interventions. As we have seen above, interventions were designed with market players, who were in the lead in implementation, with EYE providing research, needs assessments, advice, technical inputs, and workshops, itself or through consultants. These functions were undertaken as facilitator and fully paid by the project. This is appropriate.

The project has cost-shared the risks that partners took in developing and implementing innovations, as is also appropriate. Usually partners were required to make a significant investment themselves.

The few exceptions (STIKK paying just 4% of the cost of a skills gap analysis, the project fully funding such an analysis in the agro-business sector) could have given the project an indication that partners' incentives were insufficient for developing this as a market function. We will consider this further in Chapter 5.

The project has generally responded actively to developments in the selected market systems and market players' initiatives. An example is the new collaboration with Prishtina Municipality on a Career Guidance Centre and an outsourcing Hub. It has also approached market players on the basis of its research, with suggestions for interventions that were then the basis for negotiation. The interventions in internships and career counselling are examples of this.

Interviewed partners used words such as "catalyst" and "dynamic" for the project and generally found its inputs in skills and knowledge more important than funding provided.

The project team understands its facilitation role well, and acts accordingly.

In conclusion, overall the project's approach has been well in line with M4P principles and practice, and especially strong in partner selection and creating ownership over interventions. Its main weakness has been the lack of market system analysis using the M4P framework. As a consequence, who would pay for improved or new market functions has not been sufficiently addressed initially, though this is now improving.

4. Progress in implementation of interventions

This chapter considers the extent to which the project is on track with implementation of its interventions and use of the Opportunity Fund, and its overall coherence.

4.1 Implementation of interventions

Targets other than those in the logframe draw on the Yearly Plan of Operations and the intervention plans.

Output 1.1: Private sector influences education and training system to adapt to its needs

Indicator	Target	Achieved	Projection
Satisfaction of private businesses in targeted subsectors with the impact of their advocacy	Baseline: very unsatisfied Target: Increase by 50% over baseline	To be assessed in January 2015	n/a

Interventions	Key targets	Achieved	Prospect
Facilitate development of sustainable mechanisms for dialogue between education providers and the private sector	2014: 3 Industrial Boards	An Industrial Board for dialogue at the University of Prishtina's (PU) Faculty of Electrical and Computer Engineering has been established and is functioning. As a result 10 academic programmes have been accredited; 580 students enrolled. The project supported development of a regulation for the Board, which was approved by UP and adapted to be a framework for Boards at other	Further Boards at UP are likely. Other universities are showing interest. Support to dialogue at VET schools is planned. Implementation is largely on track, with some delays in establishing further Boards.

		faculties.	
Build capacity of private sector to assess skills needs and use this in advocacy	2014: in total two skills analyses conducted and presented	STIKK (ICT association) was supported to conduct a skills gap analysis for the IT sector. This informed dialogue at the Board at PU and other dialogue organised by STIKK. Two other institutions offer training on the basis of the analysis. The project did its own skills gap analysis in agro-business and presented it to sector actors. There is no effective association.	The target for 2014 was achieved but the extent to which this intervention can be replicated in other sectors than ICT is limited by lack of effective associations and their incentives and ability to pay for skills gap analysis. A construction skills gap analysis is planned for 2015. The intervention is on track in terms of number of studies conducted, but who fulfils this market function and who pays for it needs to be addressed.
Develop an Education Management Information System as part of an LMI system that provides information on skills needed.	System completed in 2014	The EMIS is MEST's part of a Labour Market Information system that is being developed by UNDP for the MLSW. EYE is cost-sharing, UNDP executing. A consultant is doing a needs assessment.	The EMIS is expected to be in place by mid-2015. This is delayed but it will not affect the final result.

Output 1.2: Businesses provide prospective and current employees with adequate practical skills also in cooperation with skills providers.

Indicator	Target	Achieved	Projection
Number of Education providers which have developed effective systems for students' placement within the private firms	15 education providers have adopted the systems	5 VET schools testing	15 HEPs and VET schools

Interventions	Key targets	Achieved	Prospect
Facilitate	2014: systems	Following an assessment, with	3 HEPs are expected to test the

development of sustainable internship systems in Higher Education Providers (HEPs) and VET schools	tested in at least 7 VET schools and 2 HEPs 2016: system operational in 15 institutions	the participation of HEPs and VET schools (in agriculture and ICT), internship schemes were designed and laid down in procedural manuals that do not (as previous schemes) depend on donor funding but on employers and improve accountability and organisation. The design is being tested by 5 VET schools; 133 student placed. Collaboration with a VET school in Vushtrri includes consideration of financial sustainability, through a sustainable model. In the private health care sector a private initiative is being supported to match students with internship places.	new schemes in 2015. Funding implementation of the schemes continues to be a constraint. An MOU was signed under which the project will support establishment of a Career Guidance Centre by the Municipality of Prishtina, which would implement internships in collaboration with the schools. Since a budget has been allocated, this may partly address this issue. The collaboration will require adaptation of the manual. The intervention is slightly delayed, but if financial sustainability can be addressed targets are likely to be achieved.

Output 1.3: Training providers offer demand driven advanced training course in selected subsectors.

Indicator	Target	Achieved	Projection
Annual total turnover from new training courses, as a result of project intervention	baseline: 0 target 2016: Euro 100,000	Euro 37,000	Euro 189,560

This output has been revised to include public providers and other sectors than the four originally selected.

Intervention	Key targets	Achieved	Prospect
Facilitate development and delivery of new and improved non-formal training for	2014: 10,000 Euro turnover, 2,500 trained 2016: Euro 100,000 turnover,	26 ICT and other (mostly business and agriculture related) courses were supported, mostly among private sector providers. Not all are new courses (10 out of 26 are). Support to	The project is under achieving with regard to numbers trained but ahead of target on turnover. Turnover projections till project completion based on current activities are also more than targeted, and for more

which there is demand in the market, including through better dialogue.	10,000 trained.	implementation only rather than development included courses run in the North. 37,000 Euro was generated this year, 1,040 are trained or being trained (682 men, 358 women).	than 8,000 young women and men trained. While this seems below target, the 10,000 trained is an outcome indicator that includes internships. One-off funding of existing courses accounts for about half the number of trainees. This was not the intention of this intervention. If this is addressed the intervention will be on track.

Output 2.1: Private businesses profitably provide job-matching services

Indicator	Target	Achieved	Projection
Annual gross income generated by matching services per supported private businesses	baseline: Euro 5,000 per business Target 2014: Euro 20,000 target 2016: Euro 20,000	Total Euro 33,277 first three quarters 2014, 2 businesses supported, i.e. Euro 16,638 per business	To be done end 2014

Intervention	Key targets	Achieved	Prospect
Facilitate development of profitable private job matching services through better business models, more services, marketing	2014: 2 job portals implement new business models, 1 reaches profitability	An assessment of job portals, exposure to regional models, and interaction with enterprises resulted in 2 portals developing new business models aiming at profitability, one focussing on upgrading its on-line platform, including recruitment services and online, self-learning career guidance (developed in collaboration with HEPs), the other on job advertising. Staff was trained, services are being	Discussions are ongoing with the partners on tracing in real time how many users get employed though the portal. KosovaJob reports 10,000 this year on the basis of a satisfaction survey. A market assessment is in progress (including regional) to identify other entry points and help private providers understand their market position.

		tested, they are now paid for, and marketing strategies were developed and are being implemented. One of the portals achieved profitability (KosovaJob). Vacancy announcements increased by 200% compared to 2013.	MEST will support translation into Serbian of the online career guidance material. The intervention is on target and implementation is on track.

Output 2.2: The capacity and available resources of the PES are improved to provide better matching services.

Indicator	Target	Achieved	Projection
Satisfaction of job seekers with PES matching services	An increase by 30%	To be measured January 2015	n/a

Intervention	Key targets	Achieved	Prospect
Facilitate increasing the effectiveness of PES as a job matching and counselling provider	2014: At least 2 municipalities pilot a new model for service delivery	Research on employment services practices in other countries, an assessment of PES and a study visit resulted in MLSW and PES developing a strategy and action plan for improvement of services and outreach, including development of an in-house training system, performance assessment, and multi-channelling services to be supported by EYE (UNDP supports other items). This is currently ongoing.	In early 2015 the innovations will be piloted at central level (training system) and in employment offices in 2 or 3 municipalities (including a Serb majority one). If the pilot is a success, MLSW and PES are expected to adopt it throughout PES (30 offices), which will by then be an Employment Agency, in accordance with legislation already adopted; planned for 2015. This intervention is slightly behind schedule, but is overall on track.

Output 2.3: More and better career guidance services targeting young women and men at secondary and tertiary education level are made available

Indicator	Target	Achieved	Projection
Number of public and private providers of career guidance services that target young women and men	increase from 7 to 20	To be measured in January 2015	20
Satisfaction of young men and women regarding guidance services provided	increase by 50%	To be measured in January 2015	n/a

Intervention	Key targets	Achieved	Prospect
Support to career guidance services to improve quality and outreach of services and develop sustainable business models for service provision	2014: 5,500 benefit from career guidance	An assessment and sharing results with market players followed by study visits of HEP counsellors resulted in establishment of a career counsellors network for improving skills and standards, development of a strategic plan for the Career Development Centre at UP, and training of counsellors (including from VET schools and others). Counsellors report many improvements including in outreach to students, information materials, training for students on application skills, testing, personal guidance, start of services where none existed, reorganisation. The Student Support Services Centre of a VET agriculture school in Vushtrri was supported to design a “sustainable model” for counselling and internship services, with involvement of the municipality.	The network is seeking to be formalised and have career counselling recognised as a profession. Certification of counsellors is to follow, by the Global Career Development Facilitator (its office in Macedonia). The strategic plan at UP is being followed up by drafting of internal regulations, which should then be approved by UP and implemented. It is expected that other HEPs will follow UP’s lead. MEST is being advised on developing a national strategy on counselling; the network contributes to this. The main constraint on effective career counselling is still funding. Collaboration with Prishtina Municipality may partly address this for VET schools in Prishtina, and so may support to implementation of the Vushtrri VET school model

		A media component is being developed to have them provide more information about youth employment, career guidance and self-employment. Two production companies were contracted. The project reports 12,090 received career guidance in the first three quarters of 2014.	and the strategic plan at the UP CDC, if this results in viable business plans. The project appears to be well over its target for students receiving career counsellors, but the baseline was set with another and smaller set of providers, so this may not reflect actual effectiveness. Overall implementation is on track but financial sustainability needs to be addressed.

Output 3.1: Enable Lead Firms to invest in opportunities in targeted sub-sectors

Indicator	Target	Achieved	Projection
Amount of private sector investment leveraged by project interventions in targeted subsectors	baseline: 0 target 2016: CHF 3 million	CHF 3.7 million	CHF 9.5 million

Intervention	Key targets	Achieved	Prospect
Improve access to and use of business support services in human resources development for lead firms (more than 50 employees)	2014: 6 lead firms use business consultancies	A needs assessment was followed by a pilot with one firm to demonstrate the importance of Human Capital Development. This was followed by development and launch of the “Human Capital Development Initiative”, a workshop with 14 lead firms, training of 15 consultants and matching of consultants and firms. Proposals were developed for 5 (4 in agribusiness/retail, 1 in health). Work on these is ongoing in 2, with international consultants. Local consultants may be	The investments reported by the project are well over target but the number of lead firms using consultancies is not on target due to delays in negotiating deals. It is uncertain whether more firms will want to proceed. A construction sector study under preparation. While the achievement in investments is impressive, improving access to and use of business services in HRM is not on track.

		involved in the others where no “deal” has been closed yet. The project reports some improvements in HRM were implemented by firms who did not take consultancies. Demand for better HRM is reported to be stronger by a number of sources, partly due to EYE.	

Output 3.2: Young Growing Companies have access to a variety of business support services that enable them to successfully operate their business

Indicator	Target	Achieved	Projection
Number of Young Entrepreneurs facilitated by the project	baseline: 0 target 2016: 200	15	200

Intervention	Key targets	Achieved	Prospect
Enable young entrepreneurs to overcome growth hurdles through business services	2014: 50 firms organised in growth clubs Final target: 200	Following formulation and promotion of a Young Growing Companies Initiative, 15 ICT firms joined a growth club for networking, mutual learning, access to markets. The group, supported by a consultant, meets regularly. The project is supporting one of the members, Dygur, to develop an online service to match companies with business services.	One of the members is developing a cluster that would be able to offer full HRM and IT outsourcing services to international clients. 7 members have signed up already, EYE will be asked to provide support. This would be a new business model and a new service. So would the Dygur matching. The Municipality of Prishtina will be supported to establish a Hub that provides services to enterprises in their initial growth phase, with a focus on outsourcing firms. This would be an additional new service. This intervention is delayed significantly, with 15 instead of

50 firms involved so far. It may be difficult to identify young entrepreneurs or young growing companies in the other selected sectors.

In conclusion, implementation of most of the intervention is on track, with some minor delays, and depending on whether issues of financial sustainability can be addressed (internships and counselling).The exceptions are improving private sector advocacy capacity which is constrained by the small number of effective associations and their inability to pay for skills gap analysis. Stimulating demand and supply of HRM consultancies has so far resulted in just a few lead firms using them. Access of young entrepreneurs to business services is significantly delayed.

4.2 The Opportunity Fund

A manual was developed for managing the fund. Enterprises submit proposals to EYE, which are reviewed and negotiated, and approved by a panel that includes SDC.

Promotion of the fund is through the project website, personal contacts and word of mouth. While this has resulted in an adequate number of good proposals and wider promotion would probably result in an unmanageable flood, this reduces transparency and outreach to businesses not “in the loop”, including of minorities.

Eleven proposals have been funded so far. Implementation of most is still ongoing. Nearly all projects can be grouped under the project’s outputs, which EYE also does in practice. Nearly all actually contribute to planned interventions, e.g. development of new training programmes and the private job matching services. All except one have required significant investment by the recipient. The exception is full funding of training in North Kosovo, which may be justifiable given the context there.

The value of the fund is CHF 900,000 and so far CHF 492,033 has been committed. The target for the first two years (in the project document) is CHF 475,000. Commitments are therefore ahead of schedule, and currently two more proposals are under consideration to be approved before the end of the year.

The close alignment of the fund with the outputs and interventions is positive and according to design. The contribution the fund makes to some of the planned activities (the job matching portals) was not originally intended, and these could have been financed from the budgets for outcomes. However, overall the fund is being used appropriately, and does provide the project with a good deal of flexibility to supplement the outcomes budget when necessary and as opportunities arise. This is positive.

In conclusion, the fund has been useful and its implementation is on track. A more proactive approach to promotion to draw in players from outside the currently fairly narrow circle, from non-ICT firms, outside Prishtina and including minorities should be considered.

4.3 Portfolio, coherence and focus

The scope of the project is wide. It addresses a range of key constraints in the selected market systems, with an increasing number of interventions and a mix of partners in the public and private sector. A large and diverse portfolio of interventions is the result. This reduces the risk that failure of one intervention would have a serious effect on EYE's ability to achieve its outcomes. It increases the risk of loss of focus and coherence.

The project has, however, maintained the coherence of its design by implementing interventions that relate directly to its outputs and by continuing to address the key constraints in the labour market system identified. Overall the Opportunity Fund has contributed rather than detracted from this. The mix of partners is, as we have seen earlier, the result of careful selection in relation to the objectives of interventions. This has contributed to overall coherence too.

Coherence is also demonstrated by the extent to which the project has attempted to avoid unnecessary overlaps and make use of potential for synergies. For instance, the intervention for output 1.3, demand-driven training, originally included support to lead firms to develop HR strategies. This was also included under output 3.1, enabling investments by lead firms, and this intervention was therefore limited to this output, while the needed training is covered under output 1.3. The work on internships and career counselling is closely related, and there is increasing convergence between interventions, e.g. in terms of strategies for providers including both. The intervention on skills gap analysis (under output 1.1) has fed into both dialogue at UP, and development of courses by private providers. The KosovaJob portal for job matching is linked to the career guidance intervention with online guidance material, and to demand-driven training by project support to Women for Women International which trains disadvantaged women and is linked to the portal. This is not an exhaustive list of such instances.

In conclusion, as EYE has maintained coherence and made use of synergies, there has been no loss of focus. If the project continues to choose its entry points strategically, the risk that this will happen is low.

5. Systemic change and scale

This chapter considers to what extent the interventions have resulted in systemic change and scale of outreach, and their potential to do so. Recommendations for changes and improvements to enhance the project's effectiveness at this level are included in the final chapter.

The second edition of the M4P Operational Guide (2014) defines market system change as "a change in the way supporting functions and rules perform that ultimately improves the poor's terms of participation within the system" (page 55). A version adapted to EYE would replace reference to the poor by "that ultimately increases employment of young women and men".

How to assess systemic change is an issue on which much learning and discussion is still taking place. Systemic change also has different levels. Put simply, the signs of progressive systemic change are:

1. When a project partner has invested in piloting an innovation, is satisfied with the results, is able and plans to continue it (this is the "adopt" stage)
2. When a partner invests and acts independently to continue the innovation, use it more widely, improve it ("adapt").
3. When more market players like the partner take up the innovation ("expand").
4. When market players with other functions in the market system change their practices to suit the changed market system (e.g. with new services) and market players have the capacity to continue to adapt to the developing market system and external influences.

Systemic change includes sustainability, that is, change that is not sustainable is not systemic. Change that is not in line with incentives and the capacity of market players is unlikely to become sustainable and draw in similar players, and will therefore not become systemic. When a project takes on functions that could be performed by market players, there is no potential for systemic change in that function.

Systemic change is meant to contribute to scale of outreach and impact. I will therefore consider these together, per output and intervention.

Output 1.1: Private sector influences education and training system to adapt to its needs

Industrial Boards

The Industrial Board at the Faculty of Electrical and Computer Engineering at the UP is functioning, and has had results. A regulation for its operations has been approved and adapted for other faculties. Establishment of an effective Board at the faculty for Agriculture is likely. UP is planning establishment of Boards at all 16 Faculties. The change EYE facilitated builds on the incentives of market players, as it is in the interest of education providers to offer programmes that lead to employment, and of employers to have access to an appropriately trained workforce. The project has not taken on a market function but facilitated development of public-private dialogue.

While so far scale is limited (560 students in improved courses) the potential just within UP, with more than 50,000 students, is large. The project plans to draw in further universities through promotion measures (an event has been agreed on) and other universities have expressed interest. This may be sufficient given UP's leadership role in higher education.

Concluding: This intervention is at the initial levels of systemic change (in the "adapt stage") and set to achieve more. It is likely to reach scale. The assumption that young women and men educated to meet the needs of the private sector are more likely to find jobs is plausible, and the target group is therefore likely to benefit.

Skills Gap Analysis and advocacy

The study done with STIKK has been made good use of by STIKK and others, including the Industrial Board at UP. This includes use independent from the project. However, systemic change would entail STIKK doing a similar study again independently (for which there is no need yet) or other market players doing so. This has not yet happened. There are no or few associations that are as effective as STIKK, they are largely donor-dependent, and skills gap analysis requires funds which associations do not have. They could possibly be obtained from donors, but this has not happened yet.

While the intervention builds on market players' incentives (better skilled workforce for employers and more relevant courses for education providers), good incentives are not a guarantee that a new practice will be paid for and become sustainable. EYE has (briefly) taken on a market function by conducting the skills gap analysis in agro-business on its own and runs the risk of also being placed in the advocacy role.

The scale of the achievements is limited and there is no clear strategy to increase this, apart from project funding for replication in other sectors.

Concluding: While the assumption that better trained youth have a better chance to be employed is plausible, no systemic change has been achieved yet. The intervention is worthwhile but lasting change may not be realised in an environment of ineffective donor-dependent associations.

Education Management Information System

Development of this system is still ongoing, but there is little doubt the MEST will operate it as it is part of its mandate. Potential users are many, including in the private sector, for advocacy.

Concluding: While there is neither systemic change nor scale yet, the potential for both is strong as the intervention builds on market players' incentives. Youth could benefit if the LMI is used by policy makers, training and education providers, which may not be automatic.

The interventions on internships and counselling are closely linked as they involve the same or related players, and I have therefore grouped them here for the sake of clarity.

Output 2.3: More and better career guidance services targeting young women and men at secondary and tertiary education level are made available

The network of career counsellors is functioning independently from the project and plans to continue. The members benefit. This is a successful initial systemic change (in the "adapt" phase) that addresses incentives for recognition of the profession, personal development and access to funds for services. The intervention has created a new, potentially sustainable, player in the market.

Improvements in counselling were realised, mostly at the individual counsellor level but some in terms of organisation.

The project has avoided taking on any market functions and its lack of financial support to the network is positive.

The key constraint on lasting change is funding, and linked to that, a clear institutional basis for the services. The work with the Career Development Centre of UP and the Student Support Services Centre of the VET school in Vushtrri on developing strategic plans are a good first step to addressing this, and so is support to drafting internal regulations at UP. Eventual adoption by the MEST of a National Career Guidance Development Strategy could also contribute to a more secure basis for career guidance. All of this still has to show results in terms of systemic change.

Scale is currently limited, but the potential is large. There is no clear strategy for achieving scale beyond the current players, apart from UP playing a leadership role and being copied, but the MEST Strategy would provide an appropriate framework.

Concluding: The potential for systemic change and scale is good if a viable business model for career counselling services can be developed. The assumption that better career counselling will contribute to young people finding jobs more easily is plausible and the target group is therefore likely to benefit if systemic change can be realised.

Output 1.2: Businesses provide prospective and current employees with adequate practical skills also in cooperation with skills providers (internships)

The newly developed VET internship schemes are being tested, and those for HEPs will be. The intervention is therefore still in the pilot stage. It builds on market players' incentives, as indicated by partners' motivation to continue the schemes and their strong ownership over their design. Most employers are reportedly interested in accepting interns.

EYE has not taken on market functions and avoided funding implementation of the schemes, which is positive. However, funding remains an issue, even in the pilot phase. The intervention with the VET school in Vushtrri and the new intervention with the Municipality of Prishtina Career Guidance Centre could partly address this but other municipalities may not be able to allocate funds in a similar manner.

Concluding: The level of systemic change is still low. The current scale is also still limited, as partners are piloting, but is potentially large, with tens of thousands of students affected, if successful. Given funding issues, the project's scale strategy of sharing positive experience is unlikely to be sufficient. The assumption that young people are more likely to find jobs following practical training and experience is plausible and the target group would therefore benefit from systemic change.

Output 1.3: Training providers offer demand driven advanced training course in selected subsectors

Although their courses are still ongoing, at least three of the education providers with whom new or improved courses were developed have concrete intentions to continue them after project support, on a commercial basis, with public funding or with donor support. Incentives to do so include commercial ones (profitable courses) and social responsibility (e.g. enabling more young women to gain access to ICT training). Systemic change is in the "adopt" phase here. There are also first signs of training providers acting independently ("adapt"), with the American University of Kosovo itself developing three courses on the basis of the ICT Skills Gap Analysis.

With other providers the project has given direct support to delivery of existing courses. Although the possibility that successful training delivery enhances demand for the courses and so could lead to systemic change cannot be discounted, this is not very likely without further work by the concerned institutions and EYE. Most supported providers have not charged fees to the trainees which reduces sustainability.

While the new training courses may become sustainable, support the development of new courses may be a market function that EYE has taken on and that will not survive the project with the current strategy. An alternative approach to wider systemic change could be a more active strategy to "crowd in" other providers.

Concluding: The scale of the results is significant, with more than a thousand (being) trained, but without wider systemic change the full potential will not be realised. The assumption that demand-driven training will result in better qualified young women and men who then have a better chance of being employed is plausible, so they would be likely to benefit from such change.

Output 2.1: Private businesses profitably provide job-matching services

Two job matching services have adopted new business models and are developing, or have developed, new services and business practices. One has reached profitability, the other has made forecasts that shows it will. There is little doubt that the new business models will be a success and will be continued. KosovaJob has developed a relationship with MEST and the career guidance counselling group. A portal not among the partners is reported to have copied some of the innovations. The project has limited itself to facilitation and not taken on market functions.

The scale of outreach of the portals is large and increasing, with this year an expected more than 20,000 job vacancies posted and KosovaJob reporting it has 155,000 users. This also indicates the change is in line with job seekers' and employers' incentives. A scale strategy to encourage more players to enter the market is not required and not planned, but the project is continuing to study and monitor the market to see if more work could bring further improvement.

Concluding: While the innovations introduced are not all operational yet, initial systemic change has already been achieved, at the "adapt" level. Other market players taking up some of the innovations is also likely ("expand"). It has also achieved scale. The assumption that better and more available matching services will result in more young people finding jobs is plausible, and KosovaJob's data are an indication it holds true.

Output 2.2: The capacity and available resources of the PES are improved to provide better matching services

PES has been part of the job matching system for many years and adoption of legislation to restructure it and establish an Employment Agency (prior to project interventions) ensures that it will continue to be so and a budget will be allocated. EYE's support to development of a Sectoral Strategy strengthens this. The project is addressing key constraints on effectiveness by building capacity and systems, complementing the work of other donors. Pilots in three employment offices still have to be completed, though.

While this intervention is therefore still in the first stage of systemic change ("adopt"), the effects are likely to be organisation and therefore country wide, as the MLSW is expected to replicate the changes in other employment offices. Scale is therefore also likely, depending on whether the changes improve effectiveness. Without the improvements already 270,000 job seekers are registered, though the number of job vacancies advertised is just around 7,000 and has been falling over recent years.

Collaboration between PES and private job matchers is being considered and would further strengthen scale and systemic change. EYE is facilitating this. It has maintained its facilitation role consistently and has not taken on market functions.

Concluding: This intervention is promising both in terms of systemic change and scale. The assumption that better PES services would help more (young) job seekers to find jobs is plausible, though this still has to be demonstrated.

Output 3.1: Enable Lead Firms to invest in opportunities in targeted sub-sectors

Good results are being achieved with several lead firms. However, the design and longer term purpose of the intervention are not sufficiently clear. Is the aim for 8 firms improve their HRM? If the intervention stops there it amounts to little more than direct support, to create jobs. If it is to make the local market system for HRM business services work, indications are it may not work, as so far only three lead firms are using the services, two with international rather than local consultants. Furthermore, the possible role of CEED as market player to improve consultants' skills and/or match demand and supply is ill-defined. So far it functioned as a contracted co-facilitator and it feels no ownership over the intervention. Its own aim is to play a role in developing business consultancy services. This is precisely the market function of the recently re-launched Business Consultants Council, whose capacity may, however, be weak. The Dygur portal for matching enterprises to services (under development) could also play a role but still needs to demonstrate it can be effective.

Given the lack of a clear design, with EYE taking on a market function via CEED, and the market system for consultancy being donor-driven and suffering from low demand as well as supply, no systemic change could be expected yet. The current intervention also has little scale, has been largely limited to agro businesses, and shows limited potential as the consultancy market is small. There is no clear scale strategy. Scaling up through SMEs is unlikely to succeed as this market needs simpler services, which may already be available. Given the present focus on large firms, employment generation could be significant and in terms of the project's final goal the focus on such firms is positive.

Concluding: The assumption that HRM business services lead to expanding large enterprises that create jobs is plausible and project data confirm this (see the chapter on outcomes). Systemic change and scale in the HRM business services market system have not been achieved yet, and feasibility is low, also given global experience in this market.

Output 3.2: Young Growing Companies have access to a variety of business support services that enable them to successfully operate their business

The group of 15 ICT entrepreneurs continues to meet and members report it is useful for information exchange and learning. So far it functions with the support of a co-facilitator (consultant), which may have created an unnecessary dependency, and whether it can continue without one remains to be demonstrated. This group could be considered a business service in itself, which is positive, but linkages to other services have not yet been realised, with one exception. The plan to establish a cluster for linking outsourcing services to international markets is viable but still has to be realised. Access to new markets is a strong incentive.

Systemic change is therefore in the early stages of “adopt”. The potential to replicate in the other selected sectors is limited due to the small numbers of young growing entrepreneurs there. Scale for the project duration is limited by design, with a target of 200 entrepreneurs. There could be potential for further systemic change and scale if forming and supporting groups would be considered and developed as a market function but this is not foreseen.

Concluding: Systemic change and scale are limited and so is potential with the current intervention design. The assumption that better access to business services leads to more growth in young enterprises and therefore more jobs is plausible, and project data (see the Chapter on outcomes) confirms this. Improving the intervention for more scale and systemic change would therefore be worthwhile.

Opportunity Fund

As spending under the Fund is closely aligned with the interventions, the extent to which it contributes to systemic change and scale depends on these. E.g. support to the job matching portals has already had systemic effects. Development of a new training academy at the ICT firm SCARDS and of the PRAKTIK training centre in Peja, new courses at the American University of Kosovo and training at the ICT firm Baruti could contribute to systemic change in terms of demand-driven training.

A few projects, though worthwhile in terms of direct support and potential creation of jobs, have little potential to change market systems. They funded delivery of existing training (Business Centre Zvečan and Gjakova summer school) or improvements in a company (MIK Agency). This demonstrates the difficulties of identifying alone-standing projects, not foreseen under interventions that nevertheless have potential for systemic change. The case of Dygur, which is developing a matching portal for consultants and enterprises, shows that this is not impossible, though.

Concluding: Overall, the fund is playing a useful role in providing the project with flexibility in funding proposals that have potential to contribute to its objective of systemic change.

6. Women and minorities

The project document commits EYE to gender mainstreaming. Among other things it states:

- “The EYE project’s own assessment has shown great imbalances between young women and men in the youth labour market.
- The project will continuously review all interventions from a gender perspective**.** Potential interventions, which have a positive impact on gender equity, will receive favourable scrutiny in assessing their feasibility” (page 17).

In practice these intentions still need to be fully realised. The project’s research does not sufficiently analyse underlying causes for imbalances the project found in the inception phase and is largely "gender blind". So are most interventions, and there is little evidence of these being reviewed continuously from a gender perspective.

One of the "underlying causes" of this is the lack of logframe targets for impact on women and it not stipulating the need for sex-disaggregated reporting. This reduces incentives to address gender inequality. It may also be partly due to inequalities not being obvious (e.g. most job vacancy announcements are reported to target women). With higher unemployment and inactivity rates for women, and without gender-specific market analysis, it is difficult to maintain they do not exist.

Progress is being made, though. The project has developed and is using a gender checklist against which interventions are assessed. The manual for Monitoring and Results Measurement (MRM) requires disaggregation by sex, though in practice this is not yet happening systematically.

EYE has also undertaken work specifically aimed at women. It funds training on ICT skills for young women at the American University of Kosovo, the result of a proposal submitted by the American University of Kosovo. English was included as this is a constraint on young women's employment in the sector. Since the University plans to continue this without EYE funding, a systemic effect is possible, though small in scale. EYE has also set quotas for women's participation in training, for instance with SCARDS. Most useful from a systemic change point of view may be the funding for Women for Women International which includes a relationship with the KosovaJob portal. However, this is a donor dependent NGO. This intervention was also the result of a proposal submitted to EYE. PES is including a module on women and marginalised groups in its training material for employment officers, which could also contribute to systemic change.

The project document also commits EYE to participation of and benefits to ethnic minorities, including in the North, though again the logframe does not include targets. The same holds true here as for gender. Research does not cover Serb majority areas, in the North or the South, and there is no analysis of constraints on minorities. Such constraints are therefore not systematically considered in the interventions.

EYE has nevertheless made efforts to target some activities at minorities. They include:

- Training delivered by the Business Centre Zvečan in the North, and on AutoCAD by the Innovation Centre Kosovo.
- Provision of beehives, plastic houses, and seedlings to 46 families through the Kosovo Centre for Business Support.
- Inclusion of the International Business College of Mitroviča in the work on career counselling.
- Planned piloting of the improved PES services in a minority municipality in the South.
- Planned translation of KosovaJob's career counselling material by MEST (resulting from EYE facilitation).

The last three have potential to contribute to lasting change, which is positive.

Lead firms and young growing companies could not be identified in the North, and more generally the institutional, political and economic environment in the North does not provide the right context for M4P interventions. The limited number and scope of the interventions there is therefore understandable and it is positive something has been undertaken. The South of the country does include Serb majority municipalities too, though, and the project still has to explore possibilities there, both for systemic interventions and for more direct support.

In conclusion, while the project is undertaking worthwhile interventions for women and minorities, and progress is being made in mainstreaming these themes, it still lacks a proactive, systematic and systemic approach in this regard.

7. Progress towards outcomes and goal

Progress towards the outcomes is presented below. Figures are drawn from the logframe, the project's Yearly Plan of Operations and data directly provided by EYE.

Outcome 1: The skills of young men and women meet better the demand of targeted business sectors

Indicator	Target	Achieved	Projection
Number of young women and men who have better skills as a result of EYE's facilitation	baseline: 0 target: 2,500 in 2014; 10,000 in 2016	1,156 (430 women, 726 men)	8,004
Number of companies in selected sectors, express satisfaction with the skills and work attitudes of VET schools and university graduates	baseline: not satisfied target: satisfied	To be assessed in January 2015	n/a

The project is behind target for 2014, and the projection indicates that the final target may not be reached. However, this is based on trainees in demand-driven courses only; it does not include internships or university students. If the key underlying cause of weak internship systems, i.e. finance, can be addressed, the project would be well on course to achieving its target. This would be further strengthened if EYE finds that support to development of demand driven-training could become a market function or more training providers start developing training independently.

Outcome 2: Matching services and career guidance give young women and men access to more job opportunities

Indicator	Target	Achieved	Projection
Number of job vacancies advertised through formal job matching services	baseline: 11,400 target 2016: annual number of	19,576 first three quarters of 2014	To be done end-2014

	vacancies 20,000		
Number of young women and men that benefit from career guidance services	baseline: 1,000 target 2016: 15,000 annually	12,090 in first three quarters of 2014	To be done end-2014

The number of vacancies advertised has already reached the target for 2016, as a result of the job portals interventions. More significantly, one of the portals (KosovaJob) reports an increase by 200% compared to 2013 and attributes this partly to innovations facilitated by EYE. Given that the interventions with the other portal and PES are promising in terms of systemic change and scale, the project is likely to achieve more than expected.

The baseline for the second indicator was set with other and fewer institutions than the project is now working with, and the actual increase in those served by counselling is likely to be smaller given the early stage the interventions are in. Both baseline and target should be adjusted to a realistic level. If the project manages to address systemically the financial constraints on counselling services, and develops a viable scale strategy large numbers of young women and men could benefit.

Outcome 3: Entrepreneurs invest into business opportunities that lead to job creation for young women and men in selected sectors

Indicator	Target	Achieved	Projection
Number of jobs created as a result of investment facilitated by the project	baseline: 0 target 2014: 200 2016: 2,000	429 for both outputs	844
Number of young entrepreneurs male and female still in business after one year	baseline: 0 target 2016: 50	15	50

For the first indicator the project is well over its target for 2014. The projection indicates that the target of 2,000 jobs created by the project's end is unrealistic with the current strategy. The second indicator is meaningful for start-ups but not for the current group of young growing companies. It needs to be revised.

EYE's progress towards the goal of increasing employment opportunities for young women and men cannot be assessed at this early stage. This is also due to the high level indicators used in the logframe, i.e. decrease in the ratio of the youth unemployment rate to the overall unemployment rate, increase in private sector employment and decrease in the time span between entering the labour market and finding a job. Attribution to EYE of changes in these indicators will be extremely tenuous. If SDC and EYE want to be able to demonstrate impact, indicators will have to be changed to some the project can measure and where attribution is plausible, e.g. the number of young women and men who found a job as a result of EYE-facilitated changes in market systems. This is usual for M4P projects.

Currently, there are indications of impact, e.g. the reported 10,000 who found jobs through KosovaJob and 429 jobs created in lead and young growing firms. The plausibility of the assumptions interventions are based on and early systemic change and scale already achieved and potential also indicate it is likely that significant impact on unemployment will be achieved. This would be stronger if current design weaknesses are addressed.

While the project's goal is to reduce youth unemployment, it is likely to have an impact on non-youth too. This is not unimportant and should be reflected in a revised goal indicator.

In conclusion, overall the project is likely to achieve its targets, depending on improvements in some of the interventions. So far this is doubtful, though, for Outcome 3. Redesigning the lead firm intervention and scaling up of the young entrepreneurs intervention could still make significant achievements possible.

8. Implementation set up and management

8.1 Consortium

The project is implemented by a consortium of Helvetas Swiss Intercooperation (Helvetas for short) and Management Development Associates (MDA). Helvetas is an organisation with strong skills and experience in implementing M4P projects. Its Headquarters has provided the project with regular and valuable technical backstopping, in particular in the areas of the M4P approach, strategy and intervention development, skills development and MRM. Backstopping is now on request, which has enhanced its usefulness.

MDA had no M4P experience but has adopted it internally following M4P training and involvement in the project. Its contribution to EYE has become more important over time, as evidenced for instance by its support to development of a Strategic Plan and internal regulations for the Career Development Centre at UP, and support to the development of the media intervention. Its extensive network in the public and private sector also enables MDA to assist in developing relations and keeping EYE informed of market players' perceptions of the project and its work.

MDA does not generally take part in the design of interventions, which, given its local knowledge, would be useful. It could also be used more frequently as a sounding board during implementation.

8.2 Management

MDA is represented on the project's management committee but on a day-to-day basis EYE is managed by a project manager (MDA-employed) and a (part-time) project director. This arrangement has been very useful in the project's first two years, as the director had more experience in private sector development and M4P and played an important role in terms of strategic and technical oversight, day-to-day management, support and advice. He was closely involved in the design of interventions, planning and finalisation of contracts and MOUs, which contributed to maintaining quality and coherence.

The two-tier management structure did sometimes slow down decision making, when proposals and contracts went up and down from outcome managers to the project manager and then the director, sometimes for minor changes. While several partners commented positively on the project's speed, and this has improved over the past year, others expressed frustration, and there were indications that opportunities could have been missed as a result.

The project team and its manager have gained much in technical capabilities and confidence, and the two-tier structure in its current form has therefore become less relevant. The time is ripe for a shift in its nature, also because the project director's time allocated to EYE has been reduced. This could go together with a further devolution of decision making authority to outcome managers.

8.3 Team and co-facilitators

The team structure comprises three outcome managers, supported by three project officers, two of whom serve two outcomes together, and two of whom have additional responsibilities, for minorities and communication. The MRM, gender, and the Opportunity Fund are the responsibility of one person, who is currently on maternity leave. The MRM is meanwhile taken care of by the project manager.

Allocating responsibility for outcomes and interventions to team members is usual in M4P projects and has proven to be effective. This is the case in EYE too. Responsibilities have been clearly defined and the project has succeeded at this not resulting in outcome "silos", through continuous communication among staff, weekly team meetings, joint discussion of interventions, and linkages between interventions (career counselling, internships and lead firms, where the potential role of internships is also considered). The project team is capable with regard to core competencies (M4P, understanding of the facilitator role), confident and committed. A significant amount of training, formal and informal, has taken place. This is very positive.

While the project officer responsible for the MRM has developed an excellent manual and the MRM itself is largely in place, her being allocated part-time is not sustainable and not in accordance with good practice. Even small M4P projects have a full-time MRM manager; larger ones have a team. The MRM still has to become fully operational and used, and this is a full-time job with additional time allocated by other staff.

Gender expertise in the team is limited, and the allocation of the gender focal point task to a team member with two other time-consuming responsibilities is insufficient. This is reflected in the project's interventions.

While some staff members have benefitted from training on gender mainstreaming, more specific and practical knowledge on gender in private sector development, including in market systems analysis, is still weak.

Co-facilitators are competent and experts in their field. Their understanding of the M4P approach is limited and their role could benefit from relevant training.

8.4 Contracts and MOUs with partners

The project consistently precedes interventions by the signing of contracts and MOUs (e.g. with Ministries, Municipalities). These stipulate the responsibilities of the partner and EYE in detail and clearly. They often include an “intellectual property” clause, which states that EYE can use results in the interest of the project, or otherwise oblige the partner to participate in information sharing. Where relevant EYE also commits to confidentiality of data provided to it.

This is excellent, and the only possible improvement could be more consistent inclusion of the intellectual property clause, as this could enhance the potential for copying by other market players. This is also recommended by the DCED review of matching grants, though it recognises the difficulty of doing so since it is not in the interest of private sector partners to have innovations copied[5].

8.5 Monitoring and Results Measurement system

EYE has made much progress with putting in place an MRM system that is compliant with the DCED standard, including an MRM manual and intervention guides with intervention logics, measurement plans, activity reporting and logs of change. While there is still some scope for improvements (e.g. inclusion of more than one indicator for key steps in the results chains, some plans have sheets missing) overall the system is in place. This is commendable. EYE is being backstopped by a Helvetas specialist who is a DCED certified MRM system auditor. She is in a good position to support the project in identifying and addressing remaining weaknesses.

The system is in use, though it still has to become fully operational as many measurements have not yet taken place.

The MRM manual stipulates intervention review meetings “when needed”, usually between the project manager and the intervention team, and mandatory six-monthly reviews (the whole team). In practice intervention progress is discussed frequently, including at weekly team meetings, and when needed. The first 6-monthly review took place in the middle of this year. Material prepared for the meeting indicates it could benefit from a more structured approach.

8.6 Budget and cost effectiveness

Cost effectiveness is difficult to assess at this stage, as the project is only half-way and it will depend largely on the extent to which systemic change and especially scale can be achieved. This is still uncertain for several interventions. The project has provided me with cost calculations for results achieved so far, which include, in Euro:

- 193.60 per person trained – this compares to 136 in the project document.
- 1.46 for 1 Euro generated by training providers (not in project document)
- 2.70 per job vacancy advertised and 2.30 per person counselled – overall 53 in the project document
- 1 for every 2 Euros invested by lead firms and 1 to every 1.3 Euro invested by young entrepreneurs – the project document provides one sum of money for leveraging

[5] DCED, Matching Grant Schemes and Systemic Approaches for Private Sector Development: Are they complementary?, October 2013

investment and new jobs, so comparison is not possible, but investments are already more than expected.

- 333.33 per job generated by lead firms and young entrepreneurs – this is therefore also not comparable to the project document. Globally the cost is low, with benchmark estimates ranging from a full cost (not just donor cost) of Euro 4,000 to 24,000 depending on the economy[6].

However, these do not include EYE's own facilitation costs (e.g. staff) and therefore do not reflect reality. Based on the project budget, actual cost is more likely to be double this. This would still be reasonable given that scale still has to be achieved and is likely for several interventions. The cost per person trained seems to be an exception, but this does not include forthcoming university graduates and internships, so is an over-estimation.

An adequate cost effectiveness assessment would require inclusion of all costs and data for all outcomes on women and men who actually found employment, which are not available at this stage.

Project spending for this year is behind target but forecasts indicate that about 95% will be committed this year. This would be satisfactory.

8.7 Relations with PPSE

The Swisscontact/Reiinvest implemented Promoting Private Sector Employment (PPSE) project is meant to complement EYE by working towards creation of jobs, rather than enhancing employability and matching. EYE's outcome 3 has that same objective and there is thus scope for duplication as well as synergies. Further opportunities for synergies are in the skills development area, as PPSE has identified lack of appropriate skills as a key constraint in the two sectors it covers (tourism, food processing). It has decided not to address these to avoid overlap with EYE.

The SCO has taken the lead in ensuring coordination, through quarterly meetings (including the Kosovo SME Promotion Programme and the IFC-executed corporate governance project). These have been useful for information sharing which is a precondition for achieving complementarities. The projects have also shared research and invited each other to meetings and events, though not always consistently. EYE staff was invited to PPSE training on M4P and gender in value chain development. Relations are cordial but both projects are under the impression they are more open to sharing and collaboration than the other, as may be expected when implementers are competitors.

PPSE has only started implementation in November (following an inception phase) and it is therefore unsurprising that little of substance has resulted from the EYE-PPSE relationship. That agro-business is the only sector in which there is an obvious need for coordination contributes to this. However, as EYE now has the mandate to develop demand-driven training in additional sectors, and there are reasons for other interventions to consider further sectors too, this need, and the potential for duplication and confusion among market players as well as for synergies will increase. The recommendations chapter includes suggestions to address this.

[6] See for instance Centre for Strategy and Evaluation Services, Study on measuring employment effects, 2006

9. Conclusion and recommendations

9.1 Overall conclusion

The project is largely on track and the overall strategy is sound. EYE's interventions generally address key constraints in the labour market system and constitute a coherent portfolio. Implementation of several is delayed, but not to the extent that they are unlikely to be effective. There are good early signs of systemic change for most interventions, and some have already gained, or are close to gaining, scale, while others have potential to do so. On the basis of these results, it is likely that the outcomes relating to better skills for young women and men and access to more and better matching and counselling services will be achieved.

Interventions under outcome 3 (creation of more jobs) are EYE's weakest spot. The choice of the business services market for HRM in lead firms is partly responsible for this, as the feasibility of systemic change in this market is low. This intervention requires a re-think, depending on an assessment of the current pilot. Even if this turns out positive, some redesign will be necessary. The intervention with young growing companies shows positive results but it is much delayed and how it will reach scale is not clear.

Several other interventions may also be improved to enhance the chances that change will be lasting. This refers especially to the need to focus more on financial sustainability (who pays for the new or improved market functions), which the EYE is already starting to do. The following are intervention-specific recommendations.

9.2 Recommendations for interventions

1. <u>Skills Gap Analysis and advocacy</u>

Skills Gaps Analysis and advocacy are both market functions which the project should not take on or fund on an ongoing basis. It should reconsider its strategy to develop the advocacy market system. Options for improvement could include selection of additional sectors where associations are more effective, linking them to potential sources of funds, or their making use of other sources of LMI.

2. <u>Education Management Information System</u>

Consider an intervention, in collaboration with UNDP, MLSW and PES, to enhance the chances that the information provided by the EMIS is used by market players.

3. <u>Internships and counselling services</u>

The project should support VET schools and HEPs to develop viable business models and plans (not just strategies but showing income and expenditure streams) to fund internships and counselling. The support to the VET school in Vushtrri could be a model for this. Business models should include income generation from services. The required legislation for VET schools to generate income is in place, as is legislation on internships. Few VET schools however have a Student Support Services Centre, and therefore lack an institutional basis for internship and counselling provision. Legislation for this is not in place. The project should investigate whether this needs to be addressed to ensure systemic change. VET schools may also need facilitation to ensure funding from municipalities. In HEPs similar issues need to be addressed.

The project's scale strategy needs to take these constraints into account. This may require technical support to more providers to establish internships and counselling on a sustainable basis, and consideration of the potential role of relevant Ministries in doing this.

The rationale for the sectoral focus is limited here, and other sectors should be explored if this enhances scale and systemic change.

4. Demand-driven training

This intervention was not meant to provide direct support to delivery of existing programmes and the project should stop doing so. Instead, it should make use of the opportunity created by SDC's agreement to address needs in additional sectors and support improvement of the training offer more broadly. A market system analysis of the private sector training market would contribute to this.

The project should also consider developing ways for training providers to engage more effectively with the private sector, as part of a strategy to improve the advocacy market system.

It should consider whether support to development of better courses could be a market function which it should develop, and if not design another strategy to have training providers develop new courses without project support (to reach the "expand" level of systemic change).

5. Improving PES

Improving PES's image among employers is key to its success. While promoting the services is foreseen (by MLSW) there may be a need for a more intensive effort at dialogue with employers. The project could consider a role there, given its mandate and experience in this area.

6. Enable Lead Firms to invest in opportunities in targeted sub-sectors by better access to HRM business services

This intervention may need to be redesigned, taking the following steps:

- Assess the current pilot before proceeding with replication in other sectors – assess impact in firms that took consultancies, reasons for firms not taking (local) consultants.
- Promote successes intensively, to stimulate demand for the services.
- Assess whether more lead firms are buying the services, from whom, with what funding.
- If not, consider other types of interventions, not in the HR consultancy market.
- If yes, there may be potential for replication in other sectors. This will require redefining clearly the role (if any) of CEED and reconsidering that of the Business Consultants Council, whose functions include developing the consultancy market and capacity of consultants.
- Research on additional sectors could proceed whether the pilot turns out to be successful or not, as it could inform both scaling up of the present intervention or redefining the strategy for this output. The construction sector may not be the best place to start, given that it is currently contracting, but there may be related market systems (e.g. maintenance, energy efficiency, materials) that could provide intervention points. New sectors could be considered.

- For redefining the intervention the project should make use of the PPSE research on the food processing sector.

7. Young growing companies

Implementation needs to be speeded up, possibly through more use of co-facilitation, and the project should consider expanding this intervention to sectors other than the four originally selected, where young growing companies are more prevalent (e.g. creative industries).

It should also consider whether its work with groups could become a market function and if so, who could be its partner. CEED might be a better choice here than for the initiative with lead firms, given that it already provides training to many young companies.

8. Opportunity Fund

The effectiveness of the fund could be further improved by closer scrutiny of the extent to which proposals may contribute to systemic change and avoiding funding delivery of existing training.

The Fund should be promoted more widely. The approach should be more proactive to draw in players from outside the currently fairly narrow circle, from non-ICT firms, outside Prishtina and including minorities.

9. New sectors

In the above expansion of interventions into new sectors has been suggested several times. This was already agreed on for demand-driven training. While the original selection of sectors was appropriate, it currently limits the potential for broad systemic change and scale of several interventions, which weakens the rationale for a sectoral approach in these cases.

Sectors should be added on the basis of the extent to which broader systemic change and scale would contribute to reducing unemployment of young women and men, and skills being a key constraint.

A further consideration should be the potential for complementarity or duplication with PPSE:

- The interventions under outcome 1 (better skilled youth) complement PPSE, including in the sectors that PPSE has selected. Collaboration is an opportunity here.
- Interventions under outcome 3 run the risk of duplication and confusing market players if expanded to PPSE sectors. The project should consider others.

9.3 Other recommendations

10. Logframe

- Change the current goal indicators (or add a new one), which will not serve to assess EYE's contribution to reducing youth unemployment. It should also account for jobs created and found by non-youth, and reporting should take into account possible displacement of existing jobs. (e.g. by lead firms).

- The baseline and targets for counselling should be adjusted to the current group of partners.
- The indicator for outcome 3 which refers to young entrepreneurs staying in business should be changed to reflect the current target group of young growing enterprises rather than start-ups.
- The target for job creation under outcome 3 should be lowered to a more realistic level once improvements in the interventions have been decided on.
- Require disaggregation by sex and for minorities of all quantitative indicators, and set targets for numbers that benefit.

11. <u>Gender</u>

- Conduct retroactive qualitative research on constraints young women face in entering jobs in the selected sectors and their making use of new and improved services (in training and job matching), using a specialist on gender and private sector development. These should not be extensive studies, but comprise a number of focus group discussions and interviews.
- Make use of the many tools for gender mainstreaming in private sector development that are readily available.
- Systematically include gender mainstreaming in periodic reviews of the interventions.
- Provide practical training on gender in private sector development and M4P to all team members.
- Allocate more staff time to the gender focal point function.
- Have the gender focal point participate as a full member of outcome teams in research, intervention design and implementation.
- Make use of external expertise to complement the focal point.

12. <u>Minorities</u>

- Include minority areas in research, in particular those in the South where the environment is more conducive than in the North.
- Enter minority areas, especially those in the South, physically: talk to business people, unemployed youth, potential partners, civil society organisations.
- Establish active relationships with projects that cover minority areas (e.g. the Helvetas implemented DEMOS project, Skills for Rural Development) for entry points, ideas.
- Allocate more time to this work of the staff member responsible, who is currently largely occupied with interventions under outcomes 1 and 2.

13. <u>Collaboration with PPSE</u>

Actively explore collaboration with PPSE, which can be improved by:

- More consistent invitations to events, meetings, training
- Participation in each other's Yearly Plan of Operations development, to identify concrete opportunities for collaboration
- Consistent sharing of research and other reports, TORs
- Seeking complementarities in skills development interventions in PPSE market systems (even if these are not EYE sectors)

- Considering joint initiatives, e.g. a joint Women's Economic Empowerment initiative to draw more young women into the labour market (suggested by PPSE)

14. Management

EYE's efficiency as well as effectiveness can be improved by:

- Shift the project director's role towards the strategic level, overall design and review of interventions, progress monitoring against logframe, technical advice at critical points, approval of large contracts, overall financial oversight and delegate more decision making authority to the project manager.
- Devolve more decision making authority to outcome managers.
- Put in place a system by which all project staff commit to maximum turn-around periods (e.g. draft contracts approved within 3 working days).
- Make better use of deadlines.
- Conduct more systematic and in-depth 6-monthly reviews of interventions.
- Include more intellectual property clauses in contracts with partners to allow for more potential replication.
- MRM: establish what still needs to be done, complete this work, and have a mock-audit conducted by DCED, towards the middle of next year. This will strengthen the system and improve credibility of the project's reporting.
- Appoint a full-time MRM manager.
- Include MDA in the design of interventions and use it more frequently as a sounding board during implementation.
- Improve the understanding of the M4P approach of co-facilitators.

Annex 1 – Terms of Reference – objective and key questions

Objective of the mandate

This is a forward-looking external review. Its overall objective is to assess the project progress till date in terms of its strategic orientation, program performance and provide recommendations for improvements in the areas which might be identified as most critical. More specifically, the objective of the review is 1) Assess the programs strategic orientation, relevance of the approach in the given development/transition context, 2) Assess the proper handling of M4P analytical frameworks and the likelihood of significant scale, employment and income generation of the corresponding intervention strategies. The perception of the implementer by relevant stakeholders (public and private market players), also in relation to ensuring local commitment and ownership 3) the appropriateness of the implementation set-up, with regard to a proper understanding of the facilitator role and 4) to provide recommendations for improvement in case needed on the 3 dimensions mentioned above for the remainder of the current phase.

The following guiding questions will be addressed by the review team:

The Key Questions of the mandate are designed in relation to the three main areas:

Programs strategic orientation, relevance of the approach in the given development/transition context.

- Is the overall design of the program still relevant and does the approach show signs of being appropriate and effective?
- Is the program rightly positioned in a country's organizational landscape (selection of the market systems, interconnected systems, program partners)?
- Is EYE on track with the foreseen expected outcome for the end of the phase, will the EYE initiatives/ interventions result into the expected outcome within a given time frame of the actual phase, how realistic are the targets set in the Program's logical framework?
- Does program design incorporate a mix of entry points, partners and types of intervention (portfolio approach)?
- Is there enough knowledge of the related market systems is there a knowledge gap; has EYE overcome the paralysis by analysis?
- Is EYE more focused in working within the interconnect systems or is it addressing its interventions at the level of the market systems?
- Is EYE in the right terms with the given cost effectiveness as mentioned in the Pro.doc?

Assess the proper handling of M4P analytical frameworks and corresponding intervention strategies its likelihood of significant scale, employment and income generation. The perception of the implementer by relevant stakeholders (public and private market players), also in relation to ensuring local commitment and ownership

- Are the EYE interventions initiating/ stimulating a sustainable change in market systems that they operate (supply side/ skills, matching and demand side/ private sector)? ,

- Are the selected interventions right in meeting the final aim of reducing the youth unemployment, are the real underlying causes identified, are the right functions and the related market players/ partners identified and addressed?
- Is EYE on track in relation to ensuring local ownership, is there a commitment and capacity among the local partners, are their incentives (driving forces) clearly defined?
- Are the existing interventions designed through the M4P framework, are the market players and their functions clearly defined in terms of *who does and who pays*?
- How far has the programme managed to use the M4P framework for analyzing and designing its interventions?
- Are the initial results consistent with incentives and the capacity of market players to change behavior, practices, investment or relationships?
- Are the actions already undertaken likely to be a market function in the future or are they temporary actions?

The appropriateness of the implementation set-up, with regard to a proper understanding of the facilitator role

- How plausible is that the up to now EYE interventions will pull others in, are the up to now actions consistent with the crowding in and what are the chances that the interventions have a spillover effect?
- Are the deals with the private sector firms of sharing the same goals despite the different incentives (development goals and business interests) clearly defined?
- Is the opportunity fund used in the right direction so that it brings to a crowding in, replication and systemic change?
- Is EYE passive or active/ dynamic facilitator?
- Are the roles between EYE's consortium implementing partners clearly defined, what is the main value added of having a local consortium partner?
- Has EYE been able to develop a constructive working relationship with the Promoting Private Sector Employment Program, and is there scope for greater synergies?

Annex 2 – Review programme

Agenda for Roel Hakemulder, Mid-term Review of EYE

6th – 14th of November 2014

November 6th, 2014 – Thursday – Roel Arrives in Prishtina

14:00 – 17:00	Project SWOT with Heini Conrad, Project Director, Argjentina Grazhdani, Project Manager and Driton Dalipi, MDA

November 7th, 2014 – Friday

09:00 – 10:00	Meeting with Markus, Arjeta, Stefan (SDC) at SCO
10:30 – 13:00	Matching Services (Outcome 2) (Meeting with Valbona, Visar, Muamer, Heini, Tina)
13:00 – 14:00	Lunch
14:30 - 16:00	Meeting with Kosova Job

November 8th, 2014 – Saturday

9:30 – 12:00	Private Sector Development /Labour Demand (Outcome 3) Meeting with Nora Gola and Dren Selimi
12:00 – 14:00	Lunch with Ylber Kuraja CEO of Viva Fresh Store
14:00 – 17:00	Readings, preparations for visits

November 10th, 2014 – Monday

9:30 – 11:30	FGD on career guidance network
12:00 – 13:00	Lunch
14:00 – 15:00	Visit to Ministry of Labor and Social Welfare (MLSW) and PES
15:30 – 16:30	Meeting Levent Koro –co- facilitator PES
17:00 - 18:00	Meeting with Meridian (a lead firm - retail)

November 11th, 2014 – Tuesday

09:00 – 12:00	Skills Supply (Outcome 1) Meeting with Majlinda (Majlinda, Muamer, Visar, Tina)
12:00 – 13:00	Lunch
13:00 – 15:00	Working on MRM, Minority and Gender (Tina, Muamer)
15:30 – 16:30	Roel meeting with Mik Agency Confirmed

November 12th, 2014 – Wednesday

09:00 – 10:30	Meeting with Vjosa Mullatahiri, (Co-facilitator internship)

11:00 – 12:30	Meeting with – American University of Kosovo (training delivery and gender Outcome 1&2)
13:00-14:00	Lunch
14:00 – 15:30	Meeting with municipality of Prishtina, Genc Bashota (Director of Economic Department and Arberije Nagavci, Director of Education Department to discuss the Career Counselling Center of Prishtina (Outcome 1&2)
16:00 – 17:00	Meeting with UNDP (outcome 1&2)

November 13th, 2014 – Thursday

09:00 – 10:00	Meeting with Myesere Hoxha, Signa BUC (business consultant)
10:30 -12:00	Meeting with CEED (co-facilitator outcome 3- HCDI)
12:00 – 13:00	Lunch
13:30 -15:30	Meeting PPSE, Sigrid Meijer and the team (cooperation, synergies progress)
16:00 – 17:30	Debriefing with SDC HQ visitors (Georgette and Laurent) and SCO, at SCO

November 14th, 2014 – Friday

09:00 – 13:00	Follow up to the internal review and discussion of findings (EYE Team including Driton Dalipi)
12:00 – 13:00	Lunch
13:00 – 14:30	Follow up to the internal review and discussion of findings (findings (EYE Team including Driton Dalipi)
15:00 – 17:00	Debriefing of SCO and Tina and Heini, at SCO**.**

Meetings with individual team members, Tina and Heini in the gaps in the programme.

Annex 3 – People met in addition to the EYE team

SCO	
Markus Baechler	Country Director
Arjeta Lleshi	National Programme Officer
Stefan Butscher	Regional Adviser Economic and Employment Western Balkan, SCO Kosovo
SDC Bern	
Georgette Bruchez	Head of Division Western Balkans
Laurent Ruedin	Programme manager Kosovo
Co-facilitators	
Levent Koro	Economic expert, co-facilitator (PES)
Kreshnik Lleshi	Country Director CEED Kosovo (Human Capital Development Initiative)
Kaltrina Luzha Rezniqi	Project manager CEED Kosovo
Vjosa Mullatahiri	Consultant (internships)
Private sector partners	
Valon Asani	CEO MIK Agency
Agon Gashi	CEO Meridian
Frank V. Farr	Consultant for Meridian
Ylber Kuraja	CEO Viva Fresh
Visar Jasiqi	American University of Kosovo, TDI Director
Arion Rizaj	General Manager KosovaJob
Public Sector Partners	
Ylber Aliu	Head of Division, Department of Labour and Employment
Genc Bashota	Director Economy and Development, Municipality of Prishtina
Arberije Nagavci,	Director of Education Department, Municipality of Kosovo
Career counsellors	
Fatbanda Abazi	University of Prishtina
Shkumbin Tafilaj	University of Prishtina
Sami Ahmeti	Fama College
Saranda Uha	Iliria College
Fitore Bekteshi	Iliria College
Mejreme Millaku-Ajvazi	AAB College
Ms. Berishaj	Ministry of Education
UNDP	
Yllka Gerdovci	Programme Analyst
Promoting Private Sector Employment	
Sigrid Meijer	Programme Manager
Faton Nagavci	Market Sector Facilitator
Fisnik Bajrami	Market Sector Facilitator