

Project Fiche – IPA Annual Action Programme 2007 for Bosnia and Herzegovina
Improving the development and capacity of Social Dialogue and Social Partners (SP)
Project

1. Basic information

1.1 CRIS Number:

1.2 Title: Improving the development and capacity of Social Dialogue and Social Partners (SP) Project

1.3 ELARG Statistical code: 02.19 – Social Policy and Employment

1.4 Location: *Bosnia and Herzegovina*

Implementing arrangements:

1.5 Contracting Authority (EC): EC Delegation in Bosnia and Herzegovina

1.6 Implementing Agency: Delegation in Bosnia and Herzegovina

1.7 Beneficiary (including details of project manager):

The Main beneficiaries will be the above Social Partners and the Social and Economic Council for BiH when established, and the representatives of Council of Ministers associated with the work of the Social and Economic Council as well as the administrators of the Social Partner organisations. The B&H labour market, and those represented by the key players above will be the ultimate beneficiaries.

Responsible person for managing the project from Ministry of Civil Affairs is:

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Financing:

1.8 Overall cost: 500,000 EUR

1.9 EU contribution: 500,000 EUR

1.10 Final date for contracting: N+2

1.11 Final date for execution of contracts: N+4

1.12 Final date for disbursements: N+5

2. Overall Objective and Project Purpose

2.1 Overall Objective:

The economic regeneration of B&H

2.2 Project purpose:

The development of effective and active institutions (social partners including the private sector), and working practices in the industrial and labour relations supported.

2.3 Link with AP/NPAA / EP/ SAA

European Partnership with B&H - Program of Realisation of Priorities; Chapter 13f:

Improve coordination and make the efforts to reduce fragmentation of labour market. -

2.4 Link with MIPD

MIPD compliance with - - 2.2.2.1 -2.2.2.2- 2.2.2.3. Employment is the key MIPD priority.

- *Developing the necessary capacity of social partners to promote social dialogue*
- *Policy coordination and decision making structures will be improved*
- *Assistance to social partners to start social dialogue*
- *Above capacity and institution building programmes will be complemented by support to improve policy coordination and decision making structures*

2.5 Link with National Development Plan (where applicable)

Itema 233 and 865 in the MTDS 2004-2007 - Increase employment and improve links between human resources and Labour market (revised MTDS 2004-2007)

2.6 Link with national/ sectoral investment plans (where applicable)

N/A

3. Description of project

3.1 Background and justification:

BiH is required to institute a State-Level Economic and Social Committee in order to conform with the requirements of the International Labour Organisation charter, to which it is a signatory. Such committees exist only at entity level. The European Social and Economic Committee has also expressed its concern about the failure to establish such a Committee in BiH.

The Social partners do not have a tradition of social dialogue. The KSBiH is a Confederation of three trade unions (SSBiH –covering Federation, SSRS in Republika Srpska and the Brcko District Union Federation). The Employers' Federation would also benefit greatly from such capacity-building. The Employment Section of the Ministry of Civil Affairs, although having benefited from two twinning light projects has not been exposed to this theme.

Employment is a key priority in the MIPD 2007-9. This project focuses on the institutional aspects of the labour market and industrial and labour relations. The BiH labour markets are characterized by high levels of long-term unemployment, a large informal economy, and the lack of an overall strategy to improve the structure of the market in order to deliver increased employment. Both trade unions and employers are committed to resolving the problem of the informal labour market and the ECOSOC could play an important role in this development. The committee would therefore be one of the important ways of overcoming some of the most important problems in the BiH labour market through effective and constructive co-operation between Government, the social partners, including employers and the private sector, in key areas those affect them.

There are significant the rigidities of the labour market which need mutual endeavor between the main players in the economy. In the past, there appears to have been little involvement of the private sector and employers aimed at resolving state/ regional labour market problems. The main social partners are not well equipped for engaging in social dialogue on a systematic and targeted basis, and the institutions where such dialogue take place in an open and democratic way either do not exist, or they are not effective enough to contribute to constructive debate.

This is a relatively simple first project in the field, and has to be seen one part of several building blocks of a broad base of related institutions structures and processes on which a successful employment policy and strategy requires to be based. The project was requested by

the social partners, and is timely as its roll out will parallel the establishment of the Proposed Social and Economic Council in the new Council of Ministers.

The resolution of the employment challenges is the most serious priority facing the country, and there are a number of significant changes in the structure of industrial relations that need to be addressed as the country proceeds to open up to the European Union, including labour Standards. The availability of a "space" or forum, and of the requisite structures and processes, as well as of competent players for discussions, negotiations and consensus building, is critical for addressing the adaptations that have to be made.

3.2 Assessment of project impact, catalytic effect, sustainability and cross border impact (where applicable)

The project will for the first time assess the options for the development of the Social Dialogue in the country, and also in the context of the Social and Economic Council. It will also provide the capacity building and training for engaging in the social dialogue. The likely architecture of social Dialogue can be discussed. Training will be targeted and beneficiaries will have first hand experience of the workings of the social Dialogue in other countries.

The results will be more, and more expanded engagement of the social partners in the business of the country. The project should deliver more informed Trades Unions and Employers associations, as well as increase confidence to engage in constructive dialogue at national and sub national levels. If built upon in the future, the project will provide some of the foundations for joint discussions and engagement in a wide range of issues apart from wage bargaining alone e.g. In the delivery of an employment strategy.

3.3 Results and measurable indicators:

1. Diagnostic on nature, scope, content, and potential for social dialogue. Acceptance of Full assessment as basis for future policy development
2. Capacity Building for constructive social partner engagement promoted,
 - Assessment of each training programme better than "good" with planned number of participants attending ,
 - Number of joint engagements of social partners throughout project life-time,
3. Action plan for social partner engagement delivered
(Constructive based social dialogue development resulting from activities of R1 and R2),
 - Action plan accepted as basis for policy development.

3.4 Activities:

- 1.1. Assessment of roles and functions of social partners and their engagement with the key areas of the social Dialogue.
- 1.2. Assessment of the roles and functions of the Social and Economic Council and the possible roles and functions that the social partners and Social Dialogue can play.
- 1.3. Recommendations for partner engagement.³
- 2.1. Training needs assessment.
- 2.2. Trainings include:
 - European Integration and Social Dialogue Employment Strategy.
 - Skills for social dialogue..
 - Other capacity building to meet short term requirements.
- 2.3. Exchange of experience with study tours.
- 2.4. Action plan for continuing social partner engagement.
- 3.1. Development of constructive social dialogue resulting from activities of R1 and R2
Diagnostic on nature, scope, content, and potential for social dialogue, and Capacity Building for constructive social partner engagement promoted

The activities will be implemented through a Technical Assistance/Services Contract (Contract 1).

3.5 Conditionality and sequencing:

There are no conditionalities or sequencing outside the project management. The ECOSOC should continue to seek a legal basis the chances of doing so being improved by this project. The Minister of Civil Affairs is committed to achieving this in the next parliamentary session.

3.7 Linked activities

- SOSAC I - Social Sector Structural Adjustment Credit; "Social Protection and Labour Markets" ; Project of the World Bank
- SOSAC II - Second Social Sector Structural Adjustment Credit, Project of The World Bank
- Twining light project "Assistance to Ministry of Civil Affairs BiH in its internal organization and improvements on administrative capacity to undertake European integration tasks"
- Project: "Vertical Review of the Labour and Employment Sector in Bosnia and Herzegovina", financed by European Commission under the framework contract AMS/451-LOT 8;

3.8 Lessons learned

Twining light project "Assistance to Ministry of Civil Affairs BiH ,in its internal organization and improvements on administrative capacity to undertake European integration tasks", implemented on 2005-06, thematic treated:

- European Labour and Social Security Law
- European Employment Services
- Social Dialogue
- Transfer of acquis communautaire into the national law

4. Indicative Budget (amounts in €)

Activities	TOTAL COST	SOURCES OF FUNDING										
		EU CONTRIBUTION				NATIONAL PUBLIC CONTRIBUTION					PRIVATE	
		Total	% *	IB	INV	Total	% *	Centr al	Region al	IFIs	Total	% *
Activity												
Service	500,000	500,000	100	x		0	0				0	
TOTAL	500,000	500,000	100			0	0					

* expressed in % of the Total Cost

5. Indicative Implementation Schedule (periods broken down per quarter)

Contracts	Start of Tendering	Signature of contract	Project Completion
Contract 1	Q1 2008	Q4 2008	Q2 2010

All projects should in principle be ready for tendering in the 1ST Quarter following the signature of the FA

6. Cross cutting issues (where applicable)

6.1 Equal Opportunity

On the level of the immediate beneficiary, a proper representation of both sexes will be ensured. The issues of non-discrimination on the basis of gender, ethnic origin, handicap etc will form part of the training process and will be integrated into the project in a cross-cutting, as well as subject-specific way. This should in turn lead to a greater awareness of the need to ensure equal opportunities on the part of all actors in the labour market.

6.2 Environment

N/A

6.3 Minorities

Minorities, and in particular, Roma, face discrimination, and in the case of the latter, almost total exclusion from the labour market. This issue should be addressed by the Social and Economic Committee as well as by the social partners jointly and severally. The project should raise awareness of minority rights in the training provided.

ANNEX I: Logical framework matrix in standard format

LOGFRAME PLANNING MATRIX FOR Project Fiche	Programme name and number: Improving the development and capacity of Social Dialogue and Social Partners (SP) Project	
	Contracting period expires	Disbursement period expires
	Total budget :500,000 EUR	IPA budget: 500,000 EUR

Overall objective	Objectively verifiable indicators	Sources of Verification	
Economic regeneration of B&H MIPD 2.2.2.1. – bullet point 8 - Developing the necessary capacity of social partners to promote social dialogue	Positive progress as attested by the B&H country report	Country progress report	
Project purpose	Objectively verifiable indicators	Sources of Verification	Assumptions
The development of effective and active institutions, (social partners including the private sector) and working practices in industrial and labour relations supported.	Social Partner institutions and practices are coherent and active	- Benchmark level of engagement (ToR) at project start and end - Inception report - Final report	As a foundation project of the social dialogue the B&H authorities and social partners are committed to the improvement of the workings of the labour market and its institutions
Results	Objectively verifiable indicators	Sources of Verification	Assumptions
1. Diagnostic on nature scope content and potential for social dialogue.	<i>Acceptance of Full assessment as basis for future policy development</i>	<i>Progress report</i>	<i>Partners co-operating information available</i>
2. Capacity Building for constructive social partner engagement promoted	<i>- Assessment of each training programme better than “good” with planned number of participants attending</i>	<i>Progress report</i>	<i>Key players in the partners institutions participate in trainings</i>
3. Action plan for social partner engagement delivered (Constructive based social dialogue development resulting from activities of R1 and R2)	<i>Action plan accepted as basis for policy development</i>	<i>Progress/Final report</i>	<i>Open dialogue develops through the progress of the project</i>
Activities	Means	Costs	Assumptions
<i>1.1. Assessment of roles and functions</i>			

<p><i>of social partners and their engagement with the key areas of the social Dialogue</i></p> <p><i>1.2. Assessment of the roles and functions of the Social and Economic Council and the possible roles and functions that the social partners and Social Dialogue can play</i></p> <p><i>1.3. Recommendations for partner engagement</i></p> <p><i>2.1. Training needs assessment</i></p> <p><i>2.2. Trainings including:</i></p> <ul style="list-style-type: none"> <i>- European Integration and Social DIALOGUE</i> <i>- Employment Strategy</i> <i>- Skills for social dialogue</i> <i>- Other capacity building to meet short term requirements.</i> <i>-</i> <p><i>2.3. Exchange of experience with study tours</i></p> <p><i>2.4. Action plan for continuing social partner engagement</i></p> <p><i>3.1. (Constructive based social dialogue development resulting from activities of R1 and R2)</i></p>		<p>500.000 Euro – technical assistance</p>	
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Pre-conditions

ANNEX II: Amounts (in €) Contracted and disbursed by quarter for the project

Contracted	Q1/2008	Q2/2008	Q3/2008	Q4/2008	Q1/2009	Q2/2009	Q3/2009	Q4/2009	Q1/2010	Q2/2010	Q3/2010	Q4/2010	Q1/2011	Q2/2011	Q3/2011
Contract 1			500,000												
Cumulated			500,000												
Disbursed															
Contract 1				200,000		125,000		125,000		50,000					
Cumulated				200,000		325,000		450,000		500,000					

ANNEX III: Reference to laws, regulations and strategic documents:

Reference to laws and regulations

- *Law on Labour of F B&H*
- *Law on Labour of Republic of Srpska*
- *Law on Labour of Brcko District*
- *Law on foreigners' employing of F B&H*
- *Law on employing foreigners and persons without citizenship of Republic of Srpska*
- *Law on foreigners' employing of Brcko District*
- *Law on employment and the right during unemployment of Brcko District*
- *and other cantons' laws on labour and employment*
- *Draft Agreement on establishment of Social and Economic Council*

Reference to AP /NPAA / EP / SAA

Article 100 **Social co-operation**

The Parties shall co-operate to facilitate the reform of the employment policy in Bosnia and Herzegovina, in the context of strengthened economic reform and integration. Co-operation will also seek to support the adaptation of the social security system of Bosnia and Herzegovina to the new economic and social requirements, and may involve the adjustment of the legislation in Bosnia and Herzegovina concerning working conditions and equal opportunities for women, for people with disabilities and for people belonging to minority groups as well as the improvement of the level of protection of the health and safety of workers, taking as a reference the level of protection existing in the Community.

Co-operation will take due account of priority areas related to the Community acquis in this field.

Reference to MIPD

2.1 Strategic Choices

Social dialogue constitutes a condition for an effective partnership between social partners and for good governance. IPA assistance will contribute to capacity building amongst the social partners.

2.2.2.1 Main areas of intervention, priorities and objectives

- *Developing the necessary capacity of social partners to promote social dialogue. Reference to National Development Plan*

ANNEX IV: Details per EU funded contract (*) where applicable:

For *TA contracts*: account of tasks expected from the contractor.

The contractor will undertake the necessary tasks to deliver the overall project objectives and meet the project purpose. The activities will be delivered to meet the results expected as well as meeting objectively measurable indicators as a minimum.

The contractor will undertake the delivery of the logistical support as well as all financial, procedural and resource (including human and material resources) management, administration and backstopping,

The contractor will undertake all the necessary consultative communications and promotion activity required to render the project a success at the political, institutional and individual levels, ensuring that the project maximises its synergy and its multipliers, including those with related project activities and with other related state and non state organisations.

The contractor is expected to deliver the full project to the satisfaction of the beneficiary and the ECD on time, to budget, and with optimum use of resources available.