

## **BOSNIA HERZEGOVINA**

### **VOCATIONAL TRAINING TO SUPPORT THE NATIONAL EMPLOYMENT PROGRAMME IN GORAZDE**

## **Project findings and Recommendations**

Report prepared for the Government of Bosnia Herzegovina  
by the International Labour Office acting as executing agency  
for the United Nations Development Programme

International Labour Office, Geneva United Nations Development Programme

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## **REPORT SUMMARY**

<b><u>COUNTRY:</u></b>	<b>BOSNIA HERZEGOVINA</b>
<b>PROJECT TITLE:</b>	<b>VOCATIONAL TRAINING TO SUPPORT THE NATIONAL EMPLOYMENT PROGRAMME IN GORAZDE</b>
<b>PROJECT NUMBER:</b>	<b>BIH/97/041/</b>
<b>TOTAL UNDP CONTRIBUTION:</b>	<b>US\$ 465,400</b>
<b>TOTAL GOVERNMENT OF JAPAN CONTRIBUTION:</b>	<b>US\$1,818,182</b>
<b>TOTAL INPUTS: US\$ 2,283,582 TOTAL ADMIN. &amp; OPER.</b>	
<b>SERVICES (AOS) US\$ 228,358 <u>GRAND TOTAL</u> US\$ 2 511940</b>	
<b>TOTAL GOVERNMENT CONTRIBUTION: DM 595,000 (in kind) DM 355,000 (in cash)</b>	

### **A. OBJECTIVES**

1. The project's development objective was to contribute to the employment programme and economic recovery of the Canton of Gorazde through the provision of employment oriented training to industrial workers and managers, unemployed adults, vocational school trainees and other vulnerable groups in the country.

2. Immediate objectives (IMs) included:

2.1 The establishment and development of (an) Industrial Training Incubator (ITI) for industrial and vocational skills development program in several key areas as well as relevant support programs.

2.2 Support (to) the vocational education and training reform process undertaken by the Ministry of Education, (MOE) through the provision of technical

assistance and resources to ongoing projects, particularly to the VET project implemented by the Japanese Emergency Non Government Organization (JEN).

3. With respect to Immediate Objective one, the project has been able to:

3.1 establish an Industrial Training Incubator (ITI) and strengthening the existing Vocational Training Centre (VTC). The extent to which the indicators were achieved is indicated below.

- A fully operational ITI and workshops for five occupational areas and nine specific jobs was established and two support courses were developed.
- Ten instructors were trained in modular curricula development and implementation and nine relevant training packages were developed/procured and adapted to meet local requirements including translation into local language.
- Two hundred and forty individuals have received training. This is more than double the number planned of 100.
- The remaining task under this objective is to consolidate the achievements by establishing sound procedures, promoting the VTC/ITI and developing appropriate administration and operational procedures to provide demand driven training locally with the goal of providing a wider service to the country and region in the future

4. With respect to Immediate Objective two, several activities and support was deleted as agreed by both the Gantonal project authorities and UNDP. This was mainly due to the fact that the project was unable to focus on assisting other projects. Because the extraordinary matters surrounding the implementation and achievement of the outputs of the first immediate objective didn't allow for allocation of resources and technical assistance for IM 2.

5. There have been important lessons learned from the project. This project was developed at a time of considerable dislocation at the Federal Government level. Data collection and sound pre-project analysis at other than local level was difficult to undertake. Target groups were merged as unemployment did not require matching needs to jobs but investment that would only follow sound economic policy.

6. The initial decision on location for this project was based political as well as economic criteria. Whilst this was valid at the time events have shown that this is now suspect and should be noted for the future.

7. To enable the VTC/ITI to operate in a manner conducive to the needs of the target

groups *the legal status of should have been a precondition of the fundini apency* on the Government.

8. Projects with an institutional capacity strengthening component should consider the staff development implications in this type of environment. Such *proiects should provide long-term international expertise*, possibly on a full-time CTA basis to assure continuity and sustainability.

9. The major recommendation is that there is a need for a *new and/or follow-up project based primarily on the recently completed feasibility study* that is implemented as soon as possible so as not to lose the momentum of the previous project.

## **L INTRODUCTION**

### **Project background and justification**

#### **Background**

1. The economy and infrastructure of Bosnia and Herzegovina (BiH) was severely damaged during a war that destroyed much of the economic and social infrastructure. As a result unemployment became a crucial economic and social problem in the country.

2. The urgent recovery and reconstruction programme (URRP) for BiH, a result of the Dayton Agreement, provided a considerable amount of technical assistance and financial support from the international community.

3. The URRP has faced several challenges. Among the most significant, considering the state of the economy in the country were to:

- Develop infrastructure (roads, bridges, electrical generation, transmission and distribution networks, communication and information systems), the renewal of the critical economic sectors of agriculture and industry;

El Complete the process of transition from a state planned to market economy, including privatization and consolidation of a private sector;

- Resolve various social problems including support for those citizens displaced internally and returning refugees through the provision of accommodation;

L1 Improve employment opportunities by providing jobs in the industrial and service sectors, and creation of new work places in the state owned industrial sector and in private SME's.

## Justification

4. The project entitled "Industrial and Vocational Training to Support the National Employment in the Gorazde Region" was created in such a socio-economic environment with the intention of impacting on its development.

5. During the period (1996 - 2000) of the URRP, international donors estimated the financial needs for BiH at US\$5.1 billion. This amount was pledged at the four donor conferences for BiH held in Brussels.

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6. International financial and technical support to BiH focused on emergency reconstruction and employment creation. The intention was to quickly provide the most essential needs of the population. It was mainly directed towards infrastructure (where 80 percent of donor funds were spent). This was logical in view of the enormous destruction this sector suffered.

7. As a result of this focus over the last three years there has been insufficient financial donor support available for development of the industrial sector, an intended major beneficiary of the Gorazde project. In particular privately owned micro and small industry, service enterprises and new private businesses were not assisted sufficiently with suitable credit.

8. In the catchment area of the project, in addition to the socio-economic environment, there was considerable political influence at Canton level. The project found itself embedded in a complicated structure of fledgling government institutions at various levels, each themselves having insufficient resources to accomplish basic services. Added to this were delays in the return of refugees and displaced persons to their pre-war homes.

9. The siting of the project in Gorazde was influenced by political considerations. Prominent in the view of UNDP was the need to re-establish an industrial base in what was known to be a formerly well developed economic activity within this region of the former Yugoslavia.

10. The project document, given this environment, had to acknowledge a number of risks. The following four were typical:

- a high rate of unemployment in the Canton of Gorazde and in the neighbouring municipalities in the Republic of Srpska (RS), exacerbated by a lack of local capital investment to restart industrial enterprises;
- the distribution of international funds provided to re-establish industry in BiH and provide support to private sector development varied widely from region to region. The region along the river Drina in RS and the Canton of Gorazde in BiH received very limited funds (both on a grant and a loan basis) to re-establish and reconstruct their economies, particularly the industrial sector;

- insufficient lines of credit were available for new business start-ups, for existing SMEs and expansion of existing businesses;
- insufficient and unacceptable repayment terms and conditions, where they were available, restricted any real growth for the industrial sector;

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insignificant foreign direct investment in the country's industry which could provide significant potential for new employment has taken place due, in part, to the late start of the privatization process.

### Outline of official arrangements

11. The Ministry of Education (MOE) appointed a **national project director (NPD)** who was given the task of implementing the project on behalf of the Ministry of Education.

12. At an international level, the NPD was expected to identify and coordinate all required project inputs and resources **in collaboration with ILO COTEF** in order to ensure that an action oriented project management system that was cost-effective was developed in addition to the national and international expertise provided.

13. At a national level the NPD was expected to:

- (a) establish an **Industrial Training Incubator (111)** at one or two rehabilitated locations in Gorazde;
- (b) strengthen the existing training capacity of the **Vocational Training Centre**. (also known as the Gorazde Technical School).

14. The NPD was also expected to closely **co-operate with the local employment office** to ensure that training was linked with the labour market requirements. The cooperating agency, the Canton level Ministry of Education, was expected to work closely with the Government of the Canton and the local branch of the National Employment Office.

15. The Government of the Canton (CG) and the MOE **were requested to advertise and promote the ITI and the VTC's activities**. The intention was to ensure that in addition to trainees from the Canton of Gorazde, **trainees from other urban and rural areas (cantons/regions) were also encouraged to participate in courses offered**. This was considered imperative to ensure the cost-effective use of the equipment donated by the Government of Japan.

16. Key among the responsibilities was the establishment of close linkages with



enterprises and the creation of a **Training and Enterprise Council (TEC)**. This Council was to be composed of an equal number of local employers, worker representatives and Government at Canton level. The TEC's training board was to be responsible for the overall guidance of training requirements with the aim of ensuring sustainability. It is anticipated that TEC members would conduct periodic consultation meetings. The NPD, ILO appointees and specialists from ILO Geneva's COTEF were to act as advisors.

17. **Trainees** were to be drawn predominantly **from the industrial sector**, but also from other priority target groups identified by the MOE.

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18. It was anticipated by UNDP/ILO that there will be sufficient staff and resources forthcoming **from the budget of the Canton** and/or MOE to continue the activities after the UNDP/ILO assistance concludes.

19. Institutional arrangements in respect of international and national technical assistance was established through the provision of

(a) A Chief Technical Advisor (CTA) for several short-term assignments;

(i)

(b) Several short term national and international technical specialists/external. collaborators were recruited to assist and advise on;

Equipment identification and procurement;

Industrial surveys including training needs assessment; Workshop(s) survey

including assessment of works requirements; Installation and commissioning of equipment and machinery; Training of national instructors and other project staff;

Design and adaptation of modular curricula and implementation of training programmes;

Staff from ILO office Sarajevo, were to provide support and assistance to the NPD in terms of logistics, project management tasks and backstopping with ILO COTEF. **Annex I** shows the relationships of the major stakeholders.

### **Project development objective**

20. To contribute to the employment programme and economic recovery of the Canton of Gorazde through the provision of employment oriented training to industrial workers and managers, unemployed adults, vocational school trainees and other vulnerable groups in the country.

### **Immediate objectives**

21. **One:** Establishment and development of an Industrial Training Incubator for an industrial and vocational skills development programme in several key areas as well as relevant support programmes.

22. **Two:** Support the Vocational Education and Training reform process undertaken by the MOE through the provision of technical assistance and resources to ongoing projects, particularly to the VET project implemented by Japanese Emergency Non Government Organization (JEN).

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### **Acknowledgements**

23. In presenting this report the Director General of the International Labour Organization wishes to express his appreciation of the work carried out by the national staff of the project within the Ministry of Education. The commitment shown under sometimes difficult circumstances was a key element in the successes achieved in the project. Thanks must also be given to the Japanese Government and UNDP for its financial contribution enabling the provision of essential equipment and technical assistance to the project.

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## **11. OUTPUTS PRODUCED**

24. The project had two immediate objectives and a work plan was devised to achieve the following outputs for each:

25. **Immediate objective one** aimed to establish, further develop and provide support to an Industrial Training Incubator.

***Output 1.1 An effective project management established***

26. The executive management of the Vocational Training Centre/ITI (VTC/ITI) was formally appointed in June 1998. It consisted of a National Project Director (NPD), a Chief instructor and eleven (11) instructors. A United Nations Volunteer (UNV) was appointed to assist with the project's management. Those appointed had job descriptions issued that were annexed to the Project Document. A secretary to support the project was also provided by the Government. This appointee also acted as an interpreter and cashier. The NPD was also responsible for administration of the project.

27. International expertise was provided to assist. These consultants were fielded by ILO COTEF and were accomplished through a series of missions. The Chief Technical Advisor conducted three visits. Specialists in the fields of mechanical, automotive, equipment procurement, computer numerical control and instructor training made several separate visits.

28. Additional international expertise was recommended for 1999 to oversee the development of curricula in several occupations. However, this was not fully undertaken by the project due to resources constraints , but accomplished through the provision of adapting and translating into local language modular curricula and relevant training packages purchased from other ILO projects.

29. Whilst it is considered that signatories to the project have met their obligations in respect of the project's management, there are reservations concerning the capacity of the team. The project evaluation report suggests that the management structure in place is inadequate at this point. A Training Centre Management Board at the VTC/ITI has been formed. It needs to be strengthened and more explicit terms of reference developed for its guidance. A suitable management information systems are lacking and reporting on the project performance has been inadequate

***Output 1.2 A tripartite Training Enterprise Council established***

30. A Training and Enterprise Council (TEC) has been formed. However, this is a relatively recent development, having met for the first time in July 1999 and as such it is unlikely to have had or make a significant future impact on the project's activities and outputs unless additional technical assistance is to be provided. The composition of the TEC does not, at the time of the Project's evaluation report, contain a tripartite representation.

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***Output 1.3 A minimum of five (5) technical courses at skilled worker level identified and at least three (3) supportive key skills training programmes prioritized for programme design and implementation.***

31. A total of nine (9) technical and vocational courses have been developed. These include electrical installation, plumbing and pipe fitting, auto mechanics, auto electricians, three mechanical engineering trades, CNC lathe and CNC milling operators (CNC), welding, computer aided design (CAD), computer course to operate a variety of commercial software packages and language courses.

***Output 1.4 Training facilities for the establishment of an Industrial Training Incubator and support programmes identified and necessary workshops modified/rehabilitated and set-up.***

32. The original project document was prepared in April 1997.' Agreement was reached on locations and a letter of understanding was prepared to have the buildings and facilities ready to meet the Government's obligation in October 1997. **The ILO and UNDP expressed reservations as to the efficacy of such a sophisticated project being located in Gorazde.** However, this was discussed by the signatories to the project meetings in November and December 1997 and it was decided to proceed based on conclusions reached at that time. The Government had expressed concern in early 1998 in relation to the prerequisite related to provision of the facilities.

33. The Chief Technical Advisor following a survey of enterprises in early 1998 suggested revision of the project target group(s). Version "C" of the project document, developed in June 1998 reflects these changes. Training facilities consultants in the mechanical and automotive fields were recruited in October 1998. They recommended a relocation of the workshop from the Bosnia Auto site. This was finally relocated to the facility at the firm "Pobeda", Gorazde, whilst the computing and language course were based at the site of the Gorazde Mechanical School.

34. Revision "C" was signed in January 1999. This revision repeated that as a prerequisite the Ministry of Education would provide adequate training facilities to the project. Provision was also made to have the locations clearly identified as being an integral part of the project and that they will remain so in the foreseeable future.

35. The activities of the project are now consolidated at two locations under the VTC/ITI. However the institutional capacity of the staff and their development has not kept pace and internal and external efficiency is substantially weakened as a result.

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***Output 1.5 Requirements for training equipment prepared including detailed specification for teaching equipment, machinery, tools, furniture, etc essential to conduct training in identified occupational areas and key support programmes. Equipment; machinery etc delivered to project site for installation.***

36. A generic equipment list for the mechanical field was originally provided to the Government. This was to be used as a basis for the selection of specific items following the identification of employment and training needs. This initial list was later extended to

cover a wider variety of courses including the electrical field, automotive, CNC/CAD, plus computing and language courses. It included machinery and accessories, hand tools, measuring and testing instruments, trainers equipment, audio-visual aides and modular training packages suited to the development and delivery of the overall programme. This list was also consolidated and purchasing commenced in 1997.

***Output 1.6 Training equipment and machinery installed and commissioned***

37. As of May 1998 the majority of the items were delivered and housed in Sarajevo **awaiting finalization of the two Government buildings in Gorazde before being installed.** Three experts were engaged to advise and assist in the commissioning of the equipment and this was completed, apart from some minor missing items, by the end of August 1999.

***Output 1.7 A minimum of forty percent of all trainees sourced and trained from vulnerable target groups.***

38. The definition of those considered as vulnerable is given in the project document. It was to include the unemployed population, war affected widows, demobilized soldiers, returning refugees and the disabled. The lack of disaggregation of the data related to those trained does not allow for the identification of those considered by this definition to be vulnerable. Furthermore the inclusion of the first group, the general unemployed population, suggests that anyone who is unemployed could be included as a trainee.

***Output 1.8 A minimum of ten (10) instructors given technical skills up-grading, modular curricula development and pedagogic training.***

39. Group training for twelve (11) staff from the project, ten (10) of whom were instructors, and one from the Japanese Emergency NGO (JEN), a related VET project, attended a course entitled "*Training of instructors in organization, implementation and management of modular training programs for adults*" at the International Training Centre of the ILO in Turin. This was followed by a visit to the Bialobrzegi Training Centre of the Ministry of labour and Social Policy in Poland. This took place over a three-week period in June 1998. In-service training from short-term experts was also conducted for this group in-country.

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40. The extent to which these instructors are prepared to undertake the complete cycle of curriculum design, development and to successfully implement the result has yet to be determined.

41. Training was provided for a total of nine (9) staff in technical courses varying from one to four weeks in Germany covering the following subjects. Computer aided design and computer aided machining, management, welding, auto mechanics and auto electricity.

***Output 1.9 A maximum of twelve (12) EO/LO senior staff from the CG participated***

*in a two-week training programme including visits to labour offices in Germany.*

42. In the delivery of the fellowships and in-service training of national staff there was insufficient time or resources to include the staff of the Employment Services of the Canton.

*Immediate objective two* focussed on capacity building of the MOE through the provision of technical assistance and resources to other ongoing projects, including the VET project implemented by the JEN.

***Output 2.1 A maximum of five (5) instructors trained in modular curricula development through participation in a fellowship programme***

43. **This output was supported in part only** with the inclusion of one JEN official in the group workshop and study tour to Italy and Poland mentioned in Output 1.8

***Output 2.2 A maximum of three (3) ILO consultants provided (for up to 0.5 work months each) for the provision of technical advice on matters related to the ongoing VET project***

44. No action was taken for this output or any of the following outputs. This was agreed between UNDP and ILO due to the extraordinary demands placed on the ILO **project staff to meet the requirements of the first immediate objective and limited resources.**

***Output 2.3 The ongoing VET project strengthened through the supply of essential training equipment, provided funds are available under the UNDP/ILO project***

45. See para. 44 above.

***Output 2.4 YET sector, with an emphasis on achievements of the ongoing JEN project, assessed and evaluated by an external ILO consultant***

46. See para. 41.

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### **III. OBJECTIVES ACHIEVED**

47. To assess the achievement of project objectives a systematic comparison of the stated objectives written in the Revision "C" of the project document and the actual achievements is shown below. The analysis is based on the indicators of performance and as such makes judgements concerning both the quality of performance and the quantity of outputs.

#### **Development objective**

**48. The project was designed to contribute to the employment programme and economic recovery of the Canton of Gorazde through the provision of employment oriented training to industrial workers and managers, unemployed adults, vocational school trainees and other vulnerable groups in the country.**

49. In this respect, the project has made a significant but limited contribution to the economic recovery of the Canton of Gorazde. When the project was designed it was expected that there would be significant investment to coincide with the potential growth of the region. This was not realized although there have been some indications of improvements in economic performance in the industrial and service sectors.

50. There have been a number of financial and institutional capacity limitations and political implications within the Government that were considered outside the control of the project that impacted on performance. The status of the VTC/ITI is, at this time still unclear and this uncertainty is a further constraint that restricts the flexibility needed to promote a more demand driven system of vocational training delivery. Whilst every *effort* was made to limit the impact of these external factors they did reduce the expected benefits.

### **Immediate Objective 1**

**Establishment and development of an Industrial Training Incubator for an industrial and vocational skills development programme in several key areas as well as relevant support programmes.**

Indicators of achievement:

- *Fully operational Industrial Training Incubator and workshops for five occupational areas and three support programmes established*

51. The provision of a facility in which industrial training can be delivered has resulted in a well-equipped building with adequate equipment. However the utilization of that equipment requires a renewed and revised strategy to ensure optimal efficiency.

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52. Courses have been designed for nine (9) occupational areas. Of that number seven could be classified as industrial and two as supportive in content. All have been offered to the targeted population based on earlier assessment of need in the catchment area of the VTC/ITI. These courses have, as yet, had little follow-up. Validation of the overall programme has still to be undertaken once the graduates and their employers have had the time to reflect on the impact of the courses on both capacity to improve living standards for the trainee and improved productivity for the enterprises concerned. The overall programme must be assessed, costs determined, and tracer studies conducted to establish the suitability of the training being provided, both from the trainee and the employer perspective. This should be addressed as soon as possible as a priority.

53. The project evaluation report of August 1999 suggests that the VTC/ITI, could be strengthened with advice and assistance from the Training and Enterprise Council (TEC). However the TEC has only recently been convened and has not, as yet had sufficient time to actively promote business development at any level.

54. The concept of an industrial training incubator and the potential this would have in stimulating further employment opportunities appears to have been justified. But due to the more urgent requirements to establish viable and economic courses, this concept of an incubator would appear to have been neglected during implementation. Small and Medium Enterprise (SME) development, entrepreneurship and self-employment has been proposed as a means of promoting employment and the VTC/ITI must now integrate the needs of this potential growth area into its overall medium and long term training delivery strategy.

55. The incubator concept must be encouraged and linkages with other successful ventures and agencies involved in local economic development, such as ALDI (refer to Annex 8), must be forged as soon as possible.

Indicators of achievement:

- *At least 10 instructors trained in modular curricula development and implementation, including production of at least five relevant training packages.*

56. Ten (10) instructors have been trained in the techniques of employment oriented modular curriculum design, development and implementation based on the Modules of Employable Skills (MES) concept promoted by the ILO. This has led to the development/procurement and use of modular materials that were adapted to suit local requirements. A total of nine training packages in local language are available as a result.

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57. The capacity of the staff to develop new courses within a programme has yet to be tested. The continuous design and development of courses of varying duration, different skill levels, demand driven content and having flexible entry/exit options must be continuously promoted. The employment conditions, now that project support is withdrawn, staff that had been already trained by the project, are working is unclear. There have been suggestions that some have sought and obtained alternative employment. This trend, should it continue, will certainly lead to further degradation and weaken the chances for the VTC/ITI to remain a viable entity. Without further support the collapse of the ITI is highly likely.

Indicators of achievement:

- *At least 100 workers from various industries trained and 10 short courses conducted for special target groups including the disabled, war affected widows, demobilized soldiers, returning refugees and the general unemployed population.*



58. Figures from the various status reports shown a gradual increase in the numbers passing through each of the courses offered. The current figures are no doubt in excess of three hundred. As an output this is acceptable.

59. However this data, which sufficient for general purposes, must be presented in more detail. Procedures for the development of a management information system must be introduced that will allow proper analysis and classification of graduates that accurately describes the origins, the results, the profile and the placement of the graduates of the VTC/ ITI.

Indicators of achievement:

- *A group of senior personnel from the Canton's employment offices trained in linking training with the labour market and the development of active labour market tools.*

60. In the delivery of the fellowships and in-service training of national staff of the MOE there was insufficient time or resources to include the staff of the Employment Services of the Canton.

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## **Immediate objective 2**

**This objective was intended to support the Vocational Education and Training reform process undertaken by the MOE through the provision of technical assistance and resources to ongoing projects, particularly to the VET project implemented by JEN.**

Indicators of achievement:

- *Instructors from ongoing VET project trained in modern curricula development and implementation.*
- *VET reform process strengthened through provision of several TA inputs and resources.*
- *Result of achievements documented and reported.*

61. This second immediate objective was limited to inclusion of a member of staff of the JEN in the group training and a study tour to Italy and Germany. This is due mainly to the lack of available time and resources to consolidate the outputs expected of immediate objective one. This was accepted by the Government and UNDP.

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## **IV. FINDINGS AND RECOMMENDATIONS**

### **Findings:**

62. The project has *provided a well-equipped YTGITI suitable for the development of a number of industrial training courses.* Additionally it has been able to provide a number of short courses in computing and languages to people in the immediate vicinity. Staff have been given in-service and regional fellowships and the capacity of the staff has been improved. There has been a considerable investment, both in terms of technical assistance and funding and as a result a substantial contribution has been made toward the achievement of the development objective.

63. For this project to be successful *it was envisaged that there would be sufficient economic growth in the immediate catchment area to justify the large financial commitment* to strengthen the Vocational Training Centre and its Industrial Training Incubator. *This was acknowledged as a risk and written into the broiect document dated June 1998.* It was further pointed out in the same project document, as a prior obligation, that the Government would provide suitable premises for the introduction of the project in accordance with a predetermined time frame. It was expected that the VTC (also known as the Gorazde Mechanical School) would be capable of *offering services to other Cantons and the Republic of Srpska.* It was on this basis that the project commenced.

64. A number of significant reports have been prepared during the latter part of the project and immediately following *its* closure. These all *draw very similar conclusions and recommendations.* In summary these are provided below as part of this findings and recommendation report.

#### **Lessons learned:**

65. The project was developed in an environment characterized by uncertainty and with a certain degree of urgency. *The selection of the Gorazde site for a ITI of this type and sophistication was based on political as well as social reasons.* However, if it had been entirely based on an economically rational basis *other sites would have been considered more appropriate.* Future projects that establish such a Centre of Excellence, for example the one in this project, should take other factors into consideration when such a large investment is being committed.

66. Analysis of the economic, social and political issues that were part of the background and justification of the project was not sufficiently researched, *again due in most part to the urgency of the situation and the need: according the High Commissioner's office, to get technical assistance operational as soon as possible.* The prior social and economic structure of the Canton was not clearly understood by those preparing the project, the rhetoric being based on the devastation caused by the conflict rather than from a purely economic perspective.

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67. Nor were Federal or Local Government officials contacted at the time able to articulate *policies as none were in place.* Donors encouraged those offering technical assistance to deal with officials at the Canton level as they were able to discuss the issues facing their immediate community.

68. Technically the project intended to develop the institutional capacity of the VTC/ITI and the MOE in general, but was not sufficiently resourced to do so. **The technical assistance component of the budget, originally set at nearly US\$ one million was reduced based on a request made by key stakeholders.** As a direct result there was **no full-time Chief Technical Advisor** and specialist expert assistance was limited.

### **Recommendations:**

69. The following recommendations are based on the findings mentioned earlier and **the various evaluation and feasibility study reports prepared under the project.** They are also considered the minimum requirement to ensure sustainability'of the ITI in the medium to long term.

***1. It is recommended that a further project that takes account of the findings and recommendations made in the feasibility study report prepared in November 2000 must be provided as soon as possible***

70. It has been proposed that the ILO would develop the project document, provided that this could be funded using savings from the UNDP contribution to the previous project. It would involve fielding a consultant for a minimum of three weeks to:

- clarify the position of the donor(s).

El discuss the implications of the Feasibility Report with the Government at both federal and at the canton level.

El advise on a realistic limit for project professional and administrative staffing numbers at the VTC/ITI based on assured funding.

- describe the attitudes, knowledge and skills of national and international personnel considered essential for the success of any further project and advise on the criteria for selection of suitable project personnel.

**EI** identify core courses to be offered that can be sustained and estimate the annual contribution to overheads as a benchmark for sustaining the VTC/ITI' s operation.

- confirm the need for any additional equipment, training materials, translations or consumables.

- develop staff to respond to demands from enterprises and individuals for services

and training.

El develop standard procedures to establish the relative benefits, both in terms of training value and cost generation, of production activities using the VTC/ITI's equipment and trainees.

El integrate the outputs and activities of the proposal with other proposed or on-going VET projects, Government Ministries, NGOs and Associations.

El strengthen the VTC/ITI Training Board and the Training and Enterprise Council by refining and adopting the Terms of Reference proposed in the Project Evaluation Report of August 1999.

El develop standard procedures to determine the viability of any services involving the use, hire, loan or utilization of tools and equipment by other than VTC/ITI staff

El negotiate the introduction of equivalency in certification with the formal education system of awards.

- accurately determine the prior obligations and prerequisites expected of the Government by the donor(s), both during and following the termination of the proposed project.
- produce a comprehensive project document for submission to and agreement of the donor(s) and the Government that is quantified in terms of outputs and has minimum quality assurance in-built based on realistic objectives.

El draft a budget based on assured funding in agreement with the donor(s).

- reach agreement on an exit strategy with the donor(s) and the Government.

2. ***It is recommended that the VTC, including the ITI, be restructured staffing adjusted staff profiles agreed and appointments made that match the profiles and the available funding.***

71. A revised organization that reflects a flatter structure must be devised that allows for innovation and collaboration, both internally and in the wider context. Staff job descriptions must be more flexible and responsibility for outputs clearly defined and agreed at the operational level. Staff must be selected for the revised structure that have the skills and attitudes needed to manage and operate a successful VET institution as a business venture. A business manager should be appointed to relieve the National Project Director of these administrative responsibilities.

At the same time the management team of the VTC/ITI must maintain a sense of equilibrium essential to ensure that training and the outcome is always focussed on the needs of the trainee.

72. Staff development and specialized training must be provided to those who have the desire and the potential. Mentoring by international consultants in the promotion and marketing of the services and goods that are available from the Centre will be central to any success.

***3. It is recommended that the Government establish the legal basis upon which the VTC can operate as a non- profit organization.***

73. The concept of providing training based on the production of goods and services to generate additional resources for the VTC/ITI is central to this recommendation. The funds generated would be used to establish a sound financial footing for the VTC/ITI by putting the funds toward the operating and development of goods and services. This requires legal backing and technical assistance to ensure that sound and transparent policies are in place to manage the financial aspects of the Centre.

74. It should be noted that the primary objective is to train for employment. Procedures must be prepared that ensure that each activity is assessed objectively and with the trainees development as a core requirement. Training cum production can lead to exploitation of trainees if the means becomes an end in its own right, i.e. production of goods and services is pursued at the expense of sound training practices.

***4. It is recommended that the amount of donor contribution required for this proposed new/follow-up project be determined taking into account the potential of the VET projects or proposals highlighted and the cost estimates provided in the recently published Feasibility Report***

75. Assuming that sufficient funding were to be made available, initially though a further project this will allow a further opportunity for the Government of the Canton to plan to institutionalize the cost into their future budget programme. By introducing a very focussed set of offerings the VTC/ITI further refine unit costs against which future allocations can be logically scheduled.

76. The suggestion that the VTC/ITI be innovative and offer a wider range of courses should be predicated on its capacity to initially provide and sustain a set of viable services and offerings.

77. Costs must be realistic and take account of the needs of the local population, enterprises and the community in general. The VTC/ITI needs to establish a range of

standard courses that can be considered the core of its operation. Costs for the above have been initially estimated in the aforementioned Feasibility Report and the most recent Status Reports. These should be continually reviewed by the Government.

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78. Whilst it is acknowledged that the VTC/ITI has the capacity to introduce or continue providing courses and services, it is essential that it can generate part of the income needed to maintain a constant and demand-driven programme.

79. These services and courses are in the fields of automotive, electrical, mechanical skill areas, plus in computing and languages. They would and cover private, government, military and vulnerable groups throughout the Federation and in the Republic of Srpska.

80. Collaboration and liaison with the various Government Ministries, international donors and development agencies is also critical. Details of potential services and courses are provided in **Annex VIII**.

**5. *It is recommended that the MOE contribute in both cash and kind to cover the administration, operation, maintenance and promotion of the VTC/ITI.***

81. The Ministry, in its planning for the ongoing consolidated budget must assume responsibility for the staff and equipment now firmly under the control of the VTC/ITI. As a non-profit organization there is still a serious need to anticipate, schedule and manage the running costs of the facility. There is also the responsibility of the Government to retain overall control of the VTC/ITI as a non profit training provider so as to ensure that it can provide services to assist the Government to implement its economic and social policies. By contributing in this way the MOE also retains the right to introduce courses that support Federal policy decisions and use the resources available to implement them.

82. It should be noted that several other private enterprises have indicated an interest in offering similar customer services. One of the aims of the VTC/ITI should be to encourage trainees to offer such income-generating services to the private sector. There may also be trainees who wish to start small enterprises. The Government must determine whether it is an agreed policy to have Government funded programmes competing with the private sector, especially in times of high unemployment.