

STANDARD SUMMARY PROJECT FICHE

A. Project Number: RO 9908.01

Title: Elaboration of the National Action Plan for Employment

Sub-programme: Economic and social cohesion

Geographical Location: Ministry of Labour and Social Protection, Bucharest

Objectives:

The project will support the medium-term priorities of the **Accession Partnership** under the heading *Employment and Social Affairs*: “development of appropriate labour market structures and joint review of employment policies as preparation for participation in EU co-ordination” and under the heading *Reinforcement of Institutional and Administrative Capacity*: "Begin to set up structures needed for regional and structural policy".

The project will also support the medium-term objectives of the **NPAA 1998** concerning the establishment of the appropriate labour market structures (1.2.4.1), and empowerment of the involved human resources able to contribute to the pre-accession process (ref. 1.2.4.2.).

Main objective :

- to address unemployment in Romania in a systematic way by establishing a National Action Plan for Employment and by improving the ability of the employment and education institutions to respond to labour market needs

Immediate objectives :

- to prepare a National Action Plan for Employment (NAPE) as a policy document and as a basis for European Social Fund type of activities in Romania
- to identify and establish the necessary legislative framework to implement the policy actions
- to assist Romanian authorities in the setting up of the administrative and institutional mechanisms necessary to implement the NAPE,
- to reinforce the quality assurance function of the training system
- to provide the necessary training for the implementation of the plan

Description:

This project strives to reduce unemployment and to prevent unemployment, by:

1. implementing active employment measures in a systematic and consistent way
2. improving the competitiveness of the Romanian enterprises through the setting up of a system for the provision of continuing training.

The NAPE will define a set of appropriate measures which will result in a change from traditional passive measures to a new active approach. The use of public unemployment benefits to improve employability

through the provision of real incentives to the unemployed to seek and take up work or training will be promoted. The NAPE will be designed in accordance with the four pillars of the “1999 Employment Guidelines” adopted by the European Council in Vienna in December 1998. The NAPE will duly take into account the short and long-term effects of the industrial restructuring process in Romania which will lead to massive lay-offs.

The 4 pillars and related guidelines are the following:

1. improving employability

guidelines: tackling youth unemployment, preventing long-term unemployment, transition from passive measures to active measures, social partners agreement to increase the employability, improving the quality of the school system, increasing the skill levels of young people, promoting a labour market open to all

2. developing entrepreneurship

guidelines: making it easier to start up and run businesses, promote job creation at local level, making the taxation system more employment friendly

3. encouraging adaptability in business and their employees

guidelines: modernising work organisation, up-grading skill levels in enterprises,

4. strengthening the policies for equal opportunities

guidelines: tackling gender gaps, reconciling work and family, facilitating reintegration into the labour market.

The NAPE will be designed and adapted to the Romanian reality and will be aimed at identifying how the guidelines of the four pillars should be put into practice. The budgetary, institutional and human resource development implications of the NAPE will be fully assessed, and priority measures and a realistic time-scale for implementation will be established. Upon analysis and comparison with the best practice in the EU member states, the necessary legislation to support implementation of the NAPE will be elaborated.

The training for the unemployed

In accordance with the Law n. 1/1991 the MoLSP is responsible for organising training courses through the National Agency for Employment and Training for the re-qualification of the unemployed. This training is one of the activities undertaken as active employment measures. In 1998 only 2.91% of the total number of unemployed benefited from this training. This figure is too low compared to EU standards and furthermore no references exist with respect to accreditation of training organisations, system of certification and interface with the system for initial vocational education and training. The NAPE should provide a strategy for increasing the level of training provision to a level comparable with EU standards, covering both investment and human resources aspects, institutional issues concerning training delivery, and accreditation and quality control for such training provision.

The training for the labour force

In order to be competitive, Romanian firms need to invest in an on-going basis in greater efficiency in order to cope with the internal market pressure within a context of membership to the EU. Companies' competitiveness largely depends on their flexibility and capacity for innovation, on the access to financial investment and on the quality of their human resources.

The NAPE should provide a strategy for increasing the level of training provision for the labour force to a level comparable with EU standards, covering both investment and human resources aspects, institutional

issues concerning training delivery, and accreditation and quality control for such training provision. Particular attention should therefore be given to the elaboration of a specific legal framework to promote the re-qualification of the labour force in Romanian companies through a flexible system of continuing training. At present, vocational training of adults, especially continuing training of workers in the state and private companies, is not covered by any legal framework. Financial support, fiscal incentives and any other financial mechanism to promote investment in training and re-training of the labour force is not legislated.

This legal framework will regulate the provision of continuing training both for the employed and the unemployed and establish the attributions of MoNE, MoLSP, economic ministries, companies, social partners and other institutions regarding the provision of vocational training activity and its financial implications.

A comparative analysis of the international legislation regulating the provision of continuing training will be the starting point of the Pre-accession advisor who will carry out the tasks of this project.

D. Guaranteed results/Expected outputs:

- by the date of completion of the project, the NAPE will be designed and adopted by the Government
- comparative analysis of the international legislation on continuing training
- by the date of completion of the project a necessary legislative framework will be elaborated.

E. Required inputs:

Two pre-accession advisers working within the MoLSP (for 18 months each) and representatives of the Romanian national institutions involved will define and identify all the texts, institutions and working methods which are necessary to draft and apply a NAPE and the legislative framework for its implementation. Training and workshops will be organised in accordance with the needs.

The two PAAs are expected to deal respectively with the development the overall strategy of the NAPE and with the necessary amendments to the legislative framework.

The profile of the PAA: The PAAs should be experts in the field of employment, vocational training and should have expertise in the elaboration/implementation of strategic plans, legal and institutional framework.

The EU twinning partner will also have the responsibility to mobilise appropriate short-term expertise to assist in the development of the overall strategy, to advise on specific areas of EU employment policy, and to assist in the drafting of legislation.

Profile of the PAA:

- recognised academic qualifications in the field of institutional development and management
- project management experience
- experience in leading or advising major structural and organisational changes in educational systems in respect to regional development
- in-depth knowledge of Social Fund policies relevant to educational systems in EU
- experience in training needs assessment

- communicative and co-operative personality
- experience with institutional systems in partner counties, suitable in Southeast Europe
- English or French proficiency

F. Institutional framework:

The MoLSP is the governmental institution responsible for drafting and observing the application of employment policies and legislation. A National Agency for Employment and Vocational Training (NAEVT) was set up. NAEVT is an autonomous public institution, which organises and co-ordinates, at national and local level, the employment and labour force training activities, as well as the social protection of the unemployed. The Agency is organised on two levels, i.e. central and local, and is managed by a tripartite Governing body.

The NAEVT may sub-contract training services with providers in the public and private sectors. The criteria for the accreditation of these training providers have not been regulated yet.

The PAAs will work with MoLSP as regards the development of overall policies and legislation, and with NAEVT as regards the arrangements for implementation of specific measures. Specific measures may be eligible for financing in the context of integrated regional development plans; the PAAs will therefore take into account the institutional framework and financing mechanisms for regional policy in Romania.

G. Budget:

					EURO
Project	Investment	Institution Building	Total Phare	Recipient	Total
Preparation of the national Action plan for Employment	50.000	950.000	1.000.000	127.500	1.127.500
Total	50.000	1.000.000	1.000.000	127.500	1.127.500

H. Implementation arrangements:

The Central Finance and Contracting Unit will be Implementing Agency and thus responsible for tendering, contracting, payments and financial reporting.

The funds could be contracted and disbursed according to the procedures concerning the twinning arrangements.

Note:

1. in case two member states will implement the project as a joint effort, the Member states have to identify one as the prime responsible for the entire implementation of the project.
2. If the expertise as requested cannot be provided by active civil servants or members of professional bodies responsible for the implementation of Community legislation it may be possible to contract technical assistance experts under e.g. the Framework Contractor.

The Ministry of Labour and Social Policy will be the Implementing Authority responsible for technical implementation of the project.

The project will be implemented under the supervision of a Steering Committee consisting of representatives of institutions involved: Ministry of Labour and Social Protection/ National Agency for Employment and Vocational Training and the National Agency for Regional Development.

For the implementation of these projects the Ministry of Labour and Social Protection will continue to co-operate with the European Training Foundation, which may participate in the meetings of the Steering Committee as observer.

I. Implementation schedule:

	Start of tendering	Start of project activity	Completion
Sub-project 1	November 1999	May 2000	May 2001
Sub-project 2	November 1999	May 2000	May 2002

L. Conditionality and sequencing:

The start of the project will be subject to the set-up of the Steering Committee. Consultations will start immediately and will focus on the analysis of the existing legal framework, already adopted by the Government, concerning these areas.

			Programme name and number:	Date of drafting: 06.1999
LOGFRAME PLANNING MATRIX FOR (Elaboration of the National Action Plan for Employment)			Contracting period expires: 30-11-2001	Disbursement period expires: 30-11-2002
Project number RO-9908-01	Subproject 1 (RO-99XX-01-01) Drafting and implementing a national Action Plan for Employment (NAPE) and institutional support in the elaboration of the Law on Vocational Training in Romania		Total budget: MEUR 1.127,5	Phare contribution: MEUR 1.0
Wider objective	Indicators of achievement	How, when and by whom Indicators will be measured	Assumptions and risks	
To reduce unemployment by establishing a National Action Plan for Employment (NAPE) and by improving the ability of the employment and education institutions to respond to labour market needs. Both the MoLPS and MoNE will contribute to this process.	<ul style="list-style-type: none"> National Action Plan for Employment drafted and adopted; labour force adapted to the changes of the labour market; effective operating labour and education institutions. 	Comprehensive plan, annual reports, mid-term reviews; TA+NAEVT+MoLSP+MNE.	<ul style="list-style-type: none"> co-ordination of all actors involved; inefficiency in communication between the actors involved. 	
Immediate objective	Indicators of achievement	How, when and by whom Indicators will be measured	Assumptions and risks	
<ul style="list-style-type: none"> to draft a National Action Plan for Employment (NAPE); to assess whether existing labour market structures and employment institutions are capable of implementing the NAPE; to develop a flexible system for training adults following the institutionalisation of the legislation on vocational education and training; to improve the institutional arrangements between and within institutions involved in this process. 	<ul style="list-style-type: none"> draft National Action Plan for Employment; assessment of alternative mechanisms of job creation; co-ordination of these mechanisms with the labour market policies; redeployment of labour force; draft Law on Vocational Training; achieving an institutional arrangement. 	For the National Action Plan for Employment: <ul style="list-style-type: none"> reports; quarterly; TA+NAEVT+MoLSP. For the Law on Vocational Training: <ul style="list-style-type: none"> adoption of the Law; implementation reports; bi-annual; TA+MoSLP+MNE+NAEVT. 	<ul style="list-style-type: none"> co-ordination between all actors including Ministry of Finance; delay in law adoption procedures. 	

Outputs	Indicators of achievement	How, when and by whom Indicators will be measured	Assumptions and risks
<ul style="list-style-type: none"> • draft version of the NAPE designed; • comparative analysis of international legislation on vocational training completed; • draft law on Vocational Training of Adults completed; • staff of related institutions trained in subject fields. 	<ul style="list-style-type: none"> • reduced rate of unemployment with at least 2%; • developed new employment opportunities; • adapted the labour force skills to the new employment trends; • standard terminology in the field; • identified the framework for financing vocational training of adults; • fixed number of staff trained in project management, organisational development, planning and monitoring; • certification system. 	<p>For the National Action Plan for Employment:</p> <ul style="list-style-type: none"> • mid-term reports, practical implementation of NAPE; • assessments reports; bi-annual; • MoLSP+NAEVT+TA. <p>For the Law on Vocational Training:</p> <ul style="list-style-type: none"> • selecting the major issues and discuss with actors periodically; • TA+MoLSP+NAEVT+MNE. <p>For Training:</p> <ul style="list-style-type: none"> • operation of trained staff; • training modules. 	<ul style="list-style-type: none"> • Effective co-ordination of the inputs of the institutions; • commitment of the political structures in EU integration.
Inputs	Indicators of achievement	How, when and by whom Indicators will be measured	
<ul style="list-style-type: none"> • two pre-accession advisers (for 12 months) each; • representatives of the Romanian national institutions involved; • financial Phare contribution; • local budget input. 	<ul style="list-style-type: none"> • timely completion of the sub-project; • meeting the sub-project objectives. 	<ul style="list-style-type: none"> • external evaluators; • Romanian counterpart organisations; • EC institutions; • Relevant documentation and reports. 	<p>delays in approving the documents;</p>

Elaboration of the National Action Plan for Employment					
CUMULATIVE CONTRACTING SCHEDULE (million)					
Date:					
	31/03/00	30/06/00	30/09/00	31/12/00	31/03/01
Sub-project1	0.230	0.430	0.670	0.900	1.000
NB: <i>all contracting should normally completed within 6-12 months and must be completed within 24 months of signature of the FM</i>					

Sub-project 1: Drafting and implementing a National Action Plan for Employment (NAPE) and institutional support in the elaboration of the Law on Vocational Training in Romania

Elaboration of the National Action Plan for Employment

CUMULATIVE DISBURSEMENT SCHEDULE (million)

Date:

	31/3/00	30/9/00	31-12-00	31-3-01	30-6-01	30/09/01
Sub-project 1		0.150	0.300	0.500	0.750	1.000

NB: *all disbursements **must** be completed within 36 months of signature of the FM*

Sub-project 1: Drafting and implementing a National Action Plan for Employment (NAPE) and institutional support in the elaboration of the Law on Vocational Training in Romania

Elaboration of the National Action Plan for Employment						
CUMULATIVE CONTRACTING and DISBURSEMENT SCHEDULE (MEUR 1.0)						
Date:						
	31/3/00	30/6/00	30/9/00	31/12/00	31/3/01	30/6/01
Contracted	0.230	0.550	0.295	0.295	0.280	
Disbursed		0.230	0.450	0.295	0.345	0.330
NB: 1. all contracting should normally be completed within 6-12 months and must be completed within 24 months of signature of FM 2. all disbursements must be completed within 36 months of signature of the FM						

Sub-project 1: Drafting and implementing a National Action Plan for Employment (NAPE) and institutional support in the elaboration of the Law on Vocational Training in Romania

TIME IMPLEMENTATION CHART

Elaboration of the National Action Plan for Employment

	1999												2000												2001											
	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D	J	F	M	A	M	J	J	A	S	O	N	D
Sub-project 1										D	D	D	D	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I							
Project activity 1										D	D	D	D	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I							
Project activity 2										D	D	D	D	C	C	I	I	I	I	I	I	I	I	I	I	I	I	I	I							

Sub-project 1: Drafting and implementing a National Action Plan for Employment (NAPE) and institutional support in the elaboration of the Law on Vocational Training in Romania

Project activity 1: Drafting and implementing a National Action Plan for Employment (NAPE)

Project activity 2: Institutional support in the elaboration of the Law on Vocational Training in Romania

D = Design
 C = Contracting
 I = Implementation

Elaboration of the National Action Plan for Employment

	Phare budget in MEURO: 1.0 million		Total Phare	Recipient*	IFI*	Total
	Investment	Institution Building				
Sub-project 1			1.000	0.127,5		1.127,5
<i>Drafting and implementing a National Action Plan for Employment (NAPE)</i>	0.003	0.692	0.695			0.695
Computer equipment, software, INTERNET subscription	0.003		0.003			0.003
Training in EU		0.222	0.222			0.222
Training in Romania		0.100	0.100			0.100
Exchange of experience		0.050	0.050			0.050
EU expert		0.240	0.240			0.240
Documentation		0.080	0.080			0.080
<i>Institutional support in the elaboration of the Law on Vocational Training in Romania</i>		0.305	0.305			0.305
Training in Romania		0.055	0.055			0.055
EU expert		0.200	0.200			0.200
Documentation		0.050	0.050			0.050
TOTAL	0.003	0.997	1.000	0.127,5		1.127,5

* In case of co-financing

Elaboration of the National Action Plan for Employment

	Phare budget in MEURO: 1.0 million		Total Phare	Recipient*	IFI*	Total
	Investment	Institution Building				
Sub-project 1			1.000	0.127,5		1.127,5
<i>Drafting and implementing a National Action Plan for Employment (NAPE)</i>	0.050	0.645	0.695			0.645
Computer equipment, software, INTERNET subscription	0.050		0.050			0.050
Training in EU		0.175	0.175			0.175
Training in Romania		0.100	0.100			0.100
Exchange of experience		0.050	0.050			0.050
EU expert		0.240	0.240			0.240
Documentation		0.080	0.080			0.080
<i>Institutional support in the elaboration of the Law on Vocational Training in Romania</i>		0.305	0.305			0.305
Training in Romania		0.055	0.055			0.055
EU expert		0.200	0.200			0.200
Documentation		0.050	0.050			0.050
TOTAL	0.050	0.950	1.000	0.127,5		1.127,5

* In case of co-financing

**Relation of project with previous PHARE activities
and with ongoing projects financed from other sources
(including government budget)**

As regards employment of the persons laid-off, the MoLSP is currently running a labour redeployment program, a special program of active measures for fighting unemployment, financed from the loan provided for this purpose by the World Bank (amounted to 8,5 mil.USD). Component 2 of this program, named "Employment and Training", includes three sub-projects: "Employment Services", "Vocational guidance and information" and "Adults qualification". **The labour redeployment program** aims at offering services to the persons made laid-off, so that they could integrate into working life in a relatively short time. The program also aims at creating new jobs through supporting communities in elaborating local development plans and through financing public interest works.

The main types of active measures are the following:

- Employment and moving services;
- Training and re-training services;
- Small enterprises incubators;
- Assistance for setting up small enterprises and business consultancy;
- Creation of new jobs within the community;
- Planning services for local economic development.

In order to facilitate the integration on the labour market of the unemployed and of other jobseekers, based on the Law no. 1/1991 with its subsequent modifications and the DoG 288/1991 on the training, re-training and improvement of vocational training, the **MoLSP elaborates annually the program for training, re-training and improving the skills of the unemployed persons.**

LIST OF RELEVANT LAWS AND REGULATIONS

1. Law no. 1/1991 on social protection of the unemployed and their vocational reintegration, with subsequent completions and amendments;
2. Governmental Emergency Ordinance (GEO) no. 9/1997 concerning certain protection measures for the persons whose individual labour contracts are to be terminated as a consequence of the collective redundancies generated by the implementation of the restructuring, privatisation and liquidation programmes;
3. Law no. 145/1998 on setting up, organisation and functioning of the **National Agency for Employment and Vocational Training (NAEVT)**;

Reference to Governmental Strategic Plans

The sub-project 1 will support the medium-term priorities of the Accession Partnership under the heading *Employment and Social Affairs*: “development of appropriate labour market structures and joint review of employment policies as preparation for participation in EU co-ordination.” The above mentioned sub-project will also support the accomplishment of the medium-term objectives of the NPAA 1998 concerning the establishment of the appropriate labour market structures (1.2.4.1).

The main objective of the NPAA 1999, in the field of employment, is to ensure an employment rate, as high as possible, in the context of the process of economic re-organisation in Romania, by elaborating, in a multi-annual perspective and applying a National Action Plan in the field of employment, leading to:

- increasing the employment level by developing special programs dedicated to young people and especially to the long term unemployed people;
- increasing the weigh of social protection active measures for the unemployed against the passive measures with the financial support of PHARE programs.